City of Chicago
Office of the City Clerk

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Legislation Referred to Committees at the Chicago City Council Meeting 1/21/2015
Section 1b - Mayoral Introductions Containing Economic Disclosure Statements

	File #	Title	Sponsor(s)	Committee Referral	
Agreement(s) - Improvement					
1	O2015-752	Forty-third amending agreement with SomerCor 504, Inc. to administer Small Business Improvement Fund Program in Madison/Austin Corridor and Humboldt Park areas	Emanuel (Mayor)	Finance	*Redacted Record*
Agreement(s) - Loan					
2	O2015-753	Approval of multi-family loan with Hilliard Homes ll Limited Partnership for replacement of deteriorated windows in Hilliard ll Buildings at 2030 S State St and 30 W Cermak Rd	Emanuel (Mayor)	Finance	*Redacted Record*
3	O2015-758	Approval of multi-family loan with Hilliard Homes l Limited Partnership for replacement of deteriorated windows in Hilliard l Buildings at 2111 and 2031 S Clark St	Emanuel (Mayor)	Finance	*Redacted Record*
4	O2015-777	Approval of multi-family loan with PP Family, LLC for construction of affordable housing at 5001 S Lawndale Ave	Emanuel (Mayor)	Finance	*Redacted Record*
Agreement(s) - Redevelopment					
5	O2015-751	Redevelopment agreement with Maple Park Marketplace designating Preferred-Halsted, LLC as project developer	Emanuel (Mayor)	Finance	*Redacted Record*
Sale of City-owned Property					
6	O2015-133	Sale of City-owned property at 421 N St. Louis Ave to James and Yvonne Adams under Adjacent Neighbors Land Acquisition Program	Emanuel (Mayor)	Housing	*Redacted Record*
7	O2015-144	Sale of City-owned property at 1346 W Erie St to 1806 W. Belmont LLC	Emanuel (Mayor)	Housing	*Redacted Record*
8	O2015-155	Sale of City-owned property at 1433 S Kedzie Ave to Henry L. Washington, Jr.	Emanuel (Mayor)	Housing	*Redacted Record*
9	O2015-220	Sale of City-owned property at 1604 S Pulaski Rd. to Louise Harper	Emanuel (Mayor)	Housing	*Redacted Record*
10	O2015-234	Sale of City-owned property at 1944 W Crystal St to 1944 W. Crystal Partners LLC	Emanuel (Mayor)	Housing	*Redacted Record*
11	O2015-248	Sale of City-owned property at 2600 W Madison St to JIH West, LLC	Emanuel (Mayor)	Housing	*Redacted Record*
12	O2015-421	Sale of City-owned property at 3832 W Jackson Blvd to Norman C. and Deloris C. Williams under Adjacent Neighbors Land Acquisition Program	Emanuel (Mayor)	Housing	*Redacted Record*

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	File #	Title	Sponsor(s)	Committee Referral	
13	O2015-742	Sale of City-owned property at 4513 S Forrestiville Ave to Jerry L. Weems and Sharon C. Weems under Adjacent Neighbors Land Acquisition Program	Emanuel (Mayor)	Housing	*Redacted Record*
14	O2015-744	Sale of City-owned property at 4854 S May St to Emilio Vizcarra	Emanuel (Mayor)	Housing	*Redacted Record*
15	O2015-746	Sale of City-owned property at 6200 S Langley Ave to MPS Community I, LLC	Emanuel (Mayor)	Housing	*Redacted Record*
16	O2015-747	Negotiated sale and conveyance of City-owned property at northwest corner of W 63rd St and S Halsted St to Englewood Square, LP	Emanuel (Mayor)	Housing	*Redacted Record*
Special Service Area(s)					
17	O2015-125	Service provider agreement with Far South Community Development Commission for Special Service Area No. 49	Emanuel (Mayor)	Finance	*Redacted Record*

City of Chicago

O2015-752

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Forty-third amending agreement with SomerCor 504, Inc. to administer Small Business Improvement Fund Program in Madison/Austin Corridor and Humboldt Park areas
Committee(s) Assignment:	Committee on Finance

FIN.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing an allocation of TIF funding to various Small Business Improvement Funds.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, by an ordinance adopted by the City Council of the City ("City Council") on July 21, 1999, and published in the Journal of Proceedings of the City Council ("Journal") for said date at pages 8307 to 8344, inclusive (the "Program Ordinance"), the City implemented a redevelopment program known as the Small Business Improvement Fund program (the "Program") to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas of the City; and

WHEREAS, by ordinances adopted by the City Council, the first on November 8, 2000, and published in the Journal for said date at pages 43877 to 43930, inclusive (the "First Amending Ordinance") and the most recent adopted on September 10, 2014 (the "Forty-Second Amending Ordinance," collectively with the Program Ordinance, the First Amending Ordinance and the other amending ordinances, the "SBIF Ordinance"), the City has restated and refined the Program and extended its reach to additional redevelopment project areas of the City; and

WHEREAS, the City Council now desires to extend the Program to three additional redevelopment project areas of the City ("New TIF/SBIF Areas"), which are identified on Exhibit A attached hereto and incorporated herein, and that are not already reached under the SBIF Ordinance; and

WHEREAS, the City Council further desires to authorize the Department of Planning and Development ("DPD") to fund the Program in New TIF/SBIF Areas in an amount not to exceed $500,000 for each New TIF/SBIF Area; and

WHEREAS, the SBIF Ordinance authorized DPD to fund the Program in the Bryn Mawr/Broadway Redevelopment Project Area ("Bryn Mawr/Broadway Area") in an amount not to exceed $1,250,000; and

WHEREAS, as part of the Program, the $1,250,000 funding previously authorized for the Bryn Mawr/Broadway Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Bryn Mawr/Broadway Area; and

WHEREAS, DPD desires to increase the amount of grant funds available in the Bryn Mawr/Broadway Area by an additional $500,000 to a total, collective amount of $1,750,000; and

WHEREAS, the SBIF Ordinance authorized DPD to fund the Program in the Lawrence/Kedzie Redevelopment Project Area ("Lawrence/Kedzie Area") in an amount not to exceed $1,750,000; and

WHEREAS, as part of the Program, the $1,750,000 funding previously authorized for the Lawrence/Kedzie Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Lawrence/Kedzie Area, and

WHEREAS, DPD desires to increase the amount of grant funds available in the Lawrence/Kedzie Area by an additional $500,000 to a total, collective amount of $2,250,000; and

WHEREAS, the SBIF Ordinance authorized DPD to fund the Program in the North Branch South Redevelopment Project Area ("North Branch South Area") in an amount not to exceed $1,000,000; and

WHEREAS, as part of the Program, the $1,000,000 funding previously authorized for the North Branch South Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the North Branch South Area; and

WHEREAS, DPD desires to increase the amount of grant funds available in the North Branch South Area by an additional $500,000 to a total, collective amount of $1,500,000; and

WHEREAS, the SBIF Ordinance authorized DPD to fund the Program in the Northwest Industrial Corridor Redevelopment Project Area ("Northwest Industrial Area") in an amount not to exceed $3,000,000; and

WHEREAS, as part of the Program, the $3,000,000 funding previously authorized for the Northwest Industrial Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Northwest Industrial Area; and

WHEREAS, DPD desires to increase the amount of grant funds available in the Northwest Industrial Area by an additional $500,000 to a total, collective amount of $3,500,000; and

WHEREAS, the SBIF Ordinance authorized DPD to fund the Program in the Peterson/Pulaski Redevelopment Project Area ("Peterson/Pulaski Area") in an amount not to exceed $1,500,000; and

WHEREAS, as part of the Program, the $1,500,000 funding previously authorized for the Peterson/Pulaski Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Peterson/Pulaski Area, and

WHEREAS, DPD desires to increase the amount of grant funds available in the Peterson/Pulaski Area by an additional $500,000 to a total, collective amount of $2,000,000; and

WHEREAS, the SBIF Ordinance authorized DPD to fund the Program in the Pulaski Corridor Redevelopment Project Area ("Pulaski Corridor Area") in an amount not to exceed $1,500,000; and

WHEREAS, as part of the Program, the $1,500,000 funding previously authorized for the Pulaski Corridor Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Pulaski Corridor Area; and

WHEREAS, DPD desires to increase the amount of grant funds available in the Pulaski Corridor Area by an additional $500,000 to a total, collective amount of $2,000,000; and

WHEREAS, the SBIF Ordinance authorized DPD to fund the Program in the Roosevelt/Cicero Redevelopment Project Area ("Roosevelt/Cicero Area") in an amount not to

exceed $1,000,000; and

WHEREAS, as part of the Program, the $1,000,000 funding previously authorized for the Roosevelt/Cicero Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Roosevelt/Cicero Area; and

WHEREAS, DPD desires to increase the amount of grant funds available in the Roosevelt/Cicero Area by an additional $500,000 to a total, collective amount of $1,500,000; and

WHEREAS, the City Council, under the SBIF Ordinance, authorized DPD to enter into an agreement with SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor"), and DPD entered into such agreement on March 12, 2001, which agreement continues in full force and effect, as amended from time to time, pursuant to which SomerCor performs certain administrative services for the Program, and DPD now desires to further amend that agreement by entering into a Forty-Third Amending Agreement (the "Forty-Third Amending Agreement") with SomerCor to (a) extend the Program into the New TIF/SBIF Areas; (b) increase the amount of grant funds available in the Bryn Mawr/Broadway Area by an additional $500,000 to a total, collective amount of $1,750,000; (c) increase the amount of grant funds available in the Lawrence/Kedzie Area by an additional $500,000 to a total, collective amount of $2,250,000; (d) increase the amount of grant funds available in the North Branch South Area by an additional $500,000 to a total, collective amount of $1,500,000; (e) increase the amount of grant funds available in the Northwest Industrial Area by an additional $500,000 to a total, collective amount of $3,500,000; (f) increase the amount of grant funds available in the Peterson/Pulaski Area by an additional $500,000 to a total, collective amount of $2,000,000; (g) increase the amount of grant funds available in the Pulaski Corridor Area by an additional $500,000 to a total, collective amount of $2,000,000; (h) increase the amount of grant funds available in the Roosevelt/Cicero Area by an additional $500,000 to a total, collective amount of $1,500,000; and (i) authorize SomerCor to continue providing the same administrative services for the Program, which Forty-Third Amending Agreement is set forth in more detail on Exhibit B, attached hereto and incorporated herein; and

WHEREAS, the City's obligation to provide funds under the Forty-Third Amending Agreement may be met through (i) incremental taxes from the New TIF/SBIF Areas, Bryn Mawr/Broadway Area, Lawrence/Kedzie Area, North Branch South Area, Northwest Industrial Area, Peterson/Pulaski Area, Pulaski Corridor Area, or Roosevelt/Cicero Area, as applicable; or (ii) any other funds legally available to the City for this purpose; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein

SECTION 2. SomerCor is hereby authorized to administer the Program in the New TIF/SBIF Areas, Bryn Mawr/Broadway Area, Lawrence/Kedzie Area, North Branch South Area, Northwest Industrial Area, Peterson/Pulaski Area, Pulaski Corridor Area, and Roosevelt/Cicero Area, subject to the supervision of DPD.

SECTION 3. The Commissioner of DPD or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to legal form, to negotiate, execute and deliver the Forty-Third Amending Agreement between SomerCor and the

City substantially in the form attached hereto as Exhibit B and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Forty-Third Amending Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Forty-Third Amending Agreement.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. All sections of the SBIF Ordinance in conflict with this ordinance are hereby repealed to the extent of such conflict. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage.

EXHIBIT A

Description of New TIF/SBIF Areas

The following New TIF/SBIF Areas were created pursuant to the ordinances listed below:

on July 21, 1999: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 24th/Michigan Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 24th/Michigan Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 24th/Michigan Redevelopment Project Area"; and

on May 29, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/Halsted Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th/Halsted Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47th/Halsted Redevelopment Project Area"; and

on September 27, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 79th/Vincennes Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 79th/Vincennes Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 79th/Vincennes Redevelopment Project Area."

EXHIBIT B

Form of Forty-Third Amending Agreement

[See attached]

Forty-Third Amending Agreement

to

ADMINISTRATIVE SERVICES AGREEMENT

This Forty-Third Amending Agreement to Administrative Services Agreement (the "Agreement") is made this ___ day of _____ 2015, by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Planning and Development ("DPD"), and SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor") whose office address is 601 South LaSalle Street Street, Suite 510, Chicago, Illinois 60605 and whose federal tax identification number is 36-3837330.

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, by ordinances adopted by the City Council of the City on July 21, 1999 and on November 8, 2000, and published in the Journal of Proceedings of the City Council for said dates at pages 8307 to 8344, inclusive, and pages 43877-43930, inclusive, respectively (the "SBIF Ordinances"), the City implemented and amended a redevelopment program known as the Small Business Improvement Fund program (the "SBIF Program") to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas ("TIF Areas") in the City; and

WHEREAS, the City Council, under the SBIF Ordinances, authorized DPD to enter into agreements with SomerCor, and DPD and SomerCor entered into one agreement on September 22, 1999 ("First SomerCor Agreement") and another agreement on March 12, 2001 ("Second SomerCor Agreement"), to administer the SBIF Programs on behalf of the City; and

WHEREAS, in an ordinance adopted by the City Council on October 31, 2001 and published in the Journal of Proceedings of the City Council for said date at pages 69965 through 70047, inclusive, (the "Midwest TIF Area Ordinance") the City Council authorized DPD to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide SBIF Program administrative services in the Midwest TIF Area (the "Midwest TIF Area Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on May 1, 2002, and published in the Journal of Proceedings of the City Council for said date at pages 83769 to 83781, inclusive ("Second Amending Ordinance"), the City Council authorized DPD to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide SBIF Program administrative services in the Portage Park, Western Avenue North, Western Avenue South, Fullerton/Milwaukee and Belmont/Central TIF Areas (the "Second Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on December 4, 2002, and published in the Journal of Proceedings of the City Council for said date at pages 100124 to 100135, inclusive ("Third Amending Ordinance"), the City Council authorized DPD to enter into an

agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide SBIF Program administrative services in the Madison/Austin Corridor and Humboldt Park Commercial TIF Areas (the "Third Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on February 5, 2003, and published in the Journal of Proceedings of the City Council for said date at pages 102793 to 102803, inclusive ("Fourth Amending Ordinance"), the City Council authorized DPD to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide SBIF Program administrative services in the Northwest Industrial Corridor Redevelopment Project Area (the "Fourth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on July 9, 2003, and published in the Journal of Proceedings of the City Council for said date at pages 3418 to 3424, inclusive ("Fifth Amending Ordinance"), the City Council authorized DPD to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the SBIF Program rules (the "Fifth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on November 3, 2004, and published in the Journal of Proceedings of the City Council for said date at pages 34545 to 34554, inclusive ("Sixth Amending Ordinance"), DPD extended the SBIF Program to the Lawrence/Kedzie Redevelopment Project Area of the City (the "Sixth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on September 14, 2005 and published in the Journal of Proceedings of the City Council for said date at pages 54724 to 54740, inclusive ("Seventh Amending Ordinance"), DPD extended the SBIF Program to the 63rd/Pulaski, Belmont/Cicero, Lawrence/Pulaski, Peterson/Pulaski, West Irving Park, Greater Southwest-West, Galewood/Armitage Industrial, Pilsen Industrial Corridor, 119th and Halsted, and Pulaski Corridor Redevelopment Project Areas of the City and increased the amount of grant funds available in the Fullerton/Milwaukee Redevelopment Project Area and the Lawrence/Kedzie Redevelopment Project Area (the "Seventh Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on September 13, 2006 and published in the Journal of Proceedings of the City Council for said date at pages 83420 to 83440, inclusive ("Eighth Amending Ordinance"), DPD extended the SBIF Program to twenty-one redevelopment project areas of the City (the "Eighth Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on February 7, 2007 and published in the Journal of Proceedings of the City Council for said date at pages 97661 to 97672, inclusive ("Ninth Amending Ordinance"), DPD extended the SBIF Program to the 63rd/Ashland and Devon/Western Redevelopment Project Areas of the City (the "Ninth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on June 13, 2007 and published in the Journal of Proceedings of the City Council for said date at pages 2395 to 2402, inclusive ("Tenth Amending Ordinance"), the City Council authorized DPD to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the SBIF Program rules (the "Tenth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on October 31, 2007 and published in the Journal of Proceedings of the City Council for said date at pages 10929 to

10942, inclusive ("Eleventh Amending Ordinance"), DPD extended the SBIF Program to certain redevelopment project areas of the City (the "Eleventh Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on June 11, 2008 and published in the Journal of Proceedings of the City Council for said date at pages 28833 to 28843, inclusive ("Twelfth Amending Ordinance"), DPD extended the SBIF Program to the Michigan/Cermak Redevelopment Project Area of the City (the "Twelfth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on September 10, 2008 and published in the Journal of Proceedings of the City Council for said date at pages 36267 to 36277, inclusive ("Thirteenth Amending Ordinance"), DPD extended the SBIF Program to the Irving/Cicero Redevelopment Project Area of the City (the "Thirteenth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on September 10, 2008 and published in the Journal of Proceedings of the City Council for said date at pages 36704 to 36711, inclusive ("Fourteenth Amending Ordinance"), the City Council authorized DPD to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the SBIF Program rules (the "Fourteenth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on February 11, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 54738 to 54748, inclusive ("Fifteenth Amending Ordinance"), DPD extended the SBIF Program to the Hollywood/Sheridan Redevelopment Project Area of the City (the "Fifteenth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on March 18, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 55750 to 55762, inclusive ("Sixteenth Amending Ordinance"), DPD extended the SBIF Program to the Elston/Armstrong Industrial Corridor Redevelopment Project Area and 47th/Ashland Redevelopment Project Area of the City (the "Sixteenth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on April 22, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 57265 to 57276, inclusive ("Seventeenth Amending Ordinance"), DPD extended the SBIF Program to the Lawrence/Broadway Redevelopment Project Area and Touhy/Western Redevelopment Project Area of the City (the "Seventeenth Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on May 13, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 60322 to 60333, inclusive ("Eighteenth Amending Ordinance"), DPD extended the SBIF Program to the Austin Commercial Redevelopment Project Area of the City (the "Eighteenth Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on June 3, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 63080 to 63090, inclusive ("Nineteenth Amending Ordinance"), DPD increased the amount of grant funds available in the Clark Street and Ridge Avenue Redevelopment Project Area by an additional $1,000,000 to a total collective amount of $1,750,000 (the "Nineteenth Amending Agreement") and

WHEREAS, by an ordinance adopted by the City Council of the City on June 30, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 64859 to 64871,

inclusive ("Twentieth Amending Ordinance"), DPD extended the SBIF Program to the Midway Industrial Corridor Redevelopment Project Area and increased the amount of grant funds available in the Peterson/Pulaski Redevelopment Project Area by an additional $1,000,000 to a total, collective amount of $1,500,000 (the "Twentieth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on September 9, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 69297 to 69308, inclusive ("Twenty-First Amending Ordinance"), DPD increased the amount of grant funds available in the 35th/Halsted Redevelopment Project Area by an additional $500,000 to a total, collective amount of $1,250,000 (the "Twenty-First Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on November 18, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 74011 to 74023, inclusive ("Twenty-Second Amending Ordinance"), DPD extended the SBIF Program to the 95th Street and Stony Island Avenue, Avalon Park/South Shore, Harlem Industrial Park Conservation, and Western Avenue/Rock Island Redevelopment Project Areas of the City (the "Twenty-Second Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on December 2, 2009 and published in the Journal of Proceedings of the City Council for said date at pages 79524 to 79546, inclusive ("Twenty-Third Amending Ordinance"), DPD restated the SBIF Program Rules, extended the SBIF Program to the Avondale and Woodlawn Redevelopment Project Areas, and increased the amount of grant funds available in the Northwest Industrial Corridor Redevelopment Project Area by an additional $1,000,000 to a total, collective amount of $2,500,000 (the "Twenty-Third Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on January 13, 2010 and published in the Journal of Proceedings of the City Council for said date at pages 82434 to 82446, inclusive ("Twenty-Fourth Amending Ordinance"), DPD extended the SBIF Program to the Addison South Redevelopment Project Area (the "Twenty-Fourth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on February 10, 2010 and published in the Journal of Proceedings of the City Council for said date at pages 83847 to 83861, inclusive ("Twenty-Fifth Amending Ordinance"), DPD extended the SBIF Program to the 47th/King Drive, 79th Street Corridor and Armitage/Pulaski Redevelopment Project Areas and increased the amount of grant funds available in the Madison/Austin Corridor and Western Avenue North Redevelopment Project Areas (the "Twenty-Fifth Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on June 9, 2010 and published in the Journal of Proceedings of the City Council for said date at pages 92472 to 92483, inclusive ("Twenty-Sixth Amending Ordinance"), DPD increased the amount of grant funds available in the Hollywood/Sheridan Redevelopment Project Area by an additional $750,000 to a total, collective amount of $1,150,000 (the "Twenty-Sixth Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on June 30, 2010 and published in the Journal of Proceedings of the City Council for said date at pages 94477 to 94491, inclusive ("Twenty-Seventh Amending Ordinance"), DPD extended the SBIF Program to the Roosevelt/Cicero, Western/Ogden and Little Village Industrial Corridor Redevelopment Project Areas and increased the amount of grant funds available in the Belmont/Central and Portage Park Redevelopment Project Areas (the "Twenty-Seventh Amending Agreement"), and

WHEREAS, by an ordinance adopted by the City Council of the City on October 6, 2010 and published in the Journal of Proceedings of the City Council for said date at pages 99933 to 99946, inclusive ("Twenty-Eighth Amending Ordinance"), DPD extended the SBIF Program to the Roosevelt/Homan and Ogden/Pulaski Redevelopment Project Areas and increased the amount of grant funds available in the Devon and Western and Western Avenue/Rock Island Redevelopment Project Areas (the "Twenty-Eighth Amending Agreement"); and

WHEREAS, by an ordinance adopted by the City Council of the City on November 3, 2010 and published in the Journal of Proceedings of the City Council for said date at pages 104150 to 104161, inclusive ("Twenty-Ninth Amending Ordinance"), DPD increased the amount of grant funds available in the 111th Street/Kedzie Avenue Business District Redevelopment Project Area ("111th/Kedzie Area") by an additional $750,000 to a total, collective amount of $1,750,000; and

WHEREAS, by an ordinance adopted by the City Council of the City on February 9, 2011 and published in the Journal of Proceedings of the City Council for said date at pages 111666 to 111678, inclusive ("Thirtieth Amending Ordinance"), DPD extended the SBIF Program to the Read/Dunning Redevelopment Project Area and increased the amount of grant funds available in the Midwest Redevelopment Project Area by an additional $1,000,000 to a total, collective amount of $2,500,000; and

WHEREAS, by an ordinance adopted by the City Council of the City on June 8, 2011 and published in the Journal of Proceedings of the City Council for said date at pages 200 to 213, inclusive ("Thirty-First Amending Ordinance"), DPD increased the amount of grant funds available in the 35th/Halsted Redevelopment Project Area by an additional $500,000 to a total, collective amount of $1,750,000; increased the amount of grant funds available in the 47th/King Drive Redevelopment Project Area by an additional $1,000,000 to a total, collective amount of $1,500,000; increased the amount of grant funds available in the North Branch South Redevelopment Project Area by an additional $500,000 to a total, collective amount of $1,000,000; and increased the amount of grant funds available in the Portage Park Redevelopment Project Area by an additional $500,000 to a total, collective amount of $1,660,000; and

WHEREAS, by an ordinance adopted by the City Council of the City on July 28, 2011 and published in the Journal of Proceedings of the City Council for said date at pages 3789 to 3802, inclusive ("Thirty-Second Amending Ordinance"), DPD extended the SBIF Program to the Ewing Avenue Redevelopment Project Area; and

WHEREAS, by an ordinance adopted by the City Council of the City on November 2, 2011 and published in the Journal of Proceedings of the City Council for said date at pages 9614 to 9626, inclusive ("Thirty-Third Amending Ordinance"), DPD increased the amount of grant funds available in the Portage Park Redevelopment Project Area by an additional $500,000 to a total, collective amount of $2,160,000; and

WHEREAS, by an ordinance adopted by the City Council of the City on April 24, 2012 and published in the Journal of Proceedings of the City Council for said date at pages 24129 to 24159, inclusive ("Thirty-Fourth Amending Ordinance"), DPD amended the Program Rules for the SBIF Program extended the SBIF Program to the Archer/Central Division/Homan and 47th/State redevelopment project areas, and increased the amount of grant funds available in nine additional redevelopment project areas, and

WHEREAS, by an ordinance adopted by the City Council of the City on April 24, 2012 and published in the Journal of Proceedings of the City Council for said date at pages 24160 to 24175, inclusive ("Thirty-Fifth Amending Ordinance"), DPD extended the SBIF Program to the Irving Park/Elston redevelopment project area and increased the amount of grant funds available in seven other redevelopment project areas; and

WHEREAS, by an ordinance adopted by the City Council of the City on June 6, 2012 and published in the Journal of Proceedings of the City Council for said date at pages 27953 to 27967, inclusive ("Thirty-Sixth Amending Ordinance"), DPD extended the SBIF Program to four additional redevelopment project areas; and

WHEREAS, by an ordinance adopted by the City Council of the City on October 3, 2012 and published in the Journal of Proceedings of the City Council for said date at pages 34651 to 34664, inclusive ("Thirty-Seventh Amending Ordinance"), DPD increased the amount of grant funds in the Western Avenue/Rock Island redevelopment project area; and

WHEREAS, by an ordinance adopted by the City Council of the City on January 17, 2013 and published in the Journal of Proceedings of the City Council for said date at pages 44849 to 44862, inclusive ("Thirty-Eighth Amending Ordinance"), DPD increased the amount of grant funds in the Western Avenue South redevelopment project area; and

WHEREAS, by an ordinance adopted by the City Council of the City on June 26, 2013 and published in the Journal of Proceedings of the City Council for said date at pages 56098 to 56115, inclusive ("Thirty-Ninth Amending Ordinance"), extended the SBIF Program to the 35th and Wallace redevelopment project area and increased the amount of grant funds available in six other redevelopment project areas; and

WHEREAS, by an ordinance adopted by the City Council of the City on July 24, 2013 and published in the Journal of Proceedings of the City Council for said date at pages 57332 to 57346, inclusive ("Fortieth Amending Ordinance"), increased the amount of grant funds available in the Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project Area ("Stony Island/Burnside Area") by an additional $500,000 to a total, collective amount of $2,000,000 and increased the amount of grant funds available in the West Irving Park Redevelopment Project Area ("West Irving Park Area") by an additional $500,000 to a total, collective amount of $2,500,000, and

WHEREAS, by an ordinance adopted by the City Council of the City on June 25, 2014 and published in the Journal of Proceedings of the City Council for said date at pages 83007 to 83035, inclusive ("Forty-First Amending Ordinance"), increased the amount of grant funds available in the Clark/Montrose Redevelopment Project Area ("Clark/Montrose Area") by an additional $1,000,000 to a total, collective amount of $2,300,000, increased the amount of grant funds available in the Lawrence/Broadway Redevelopment Project Area ("Lawrence/Broadway Area") by an additional $500,000 to a total, collective amount of $1,500,000, and increased the amount of grant funds available in the Ravenswood Corridor Redevelopment Project Area ("Ravenswood Area") by an additional $500,000 to a total, collective amount of $2,000,000; and

WHEREAS, by an ordinance adopted by the City Council of the City on September 10, 2014 and published in the Journal of Proceedings of the City Council for said date at pages 87257 to 87271, inclusive ("Forty-Second Amending Ordinance"), increased the amount of grant funds available in the Hollywood/Sheridan Redevelopment Project Area ("Hollywood/Sheridan Area") by an

additional $500,000 to a total, collective amount of $1,650,000; and

WHEREAS, by an ordinance adopted by the City Council of the City on _____, 2015 and published in the Journal of Proceedings of the City Council for said date at pages _____ to _____, inclusive ("Forty-Third Amending Ordinance"), extended the SBIF Program to the 24th/Michigan, 47th/Halsted and 79th/Vincennes redevelopment project areas of the City (the "New TIF/SBIF Areas"), as identified on Exhibit 1 attached hereto and incorporated herein, and increased the amount of grant funds available in the Bryn Mawr/Broadway Redevelopment Project Area ("Bryn Mawr/Broadway Area") by an additional $500,000 to a total, collective amount of $1,750,000; increased the amount of grant funds available in the Lawrence/Kedzie Redevelopment Project Area ("Lawrence/Kedzie Area") by an additional $500,000 to a total, collective amount of $2,250,000; increased the amount of grant funds available in the North Branch South Redevelopment Project Area ("North Branch South Area") by an additional $500,000 to a total, collective amount of $1,500,000; increased the amount of grant funds available in the Northwest Industrial Corridor Redevelopment Project Area ("Northwest Industrial Area") by an additional $500,000 to a total, collective amount of $3,500,000; increased the amount of grant funds available in the Peterson/Pulaski Redevelopment Project Area ("Peterson/Pulaski Area") by an additional $500,000 to a total, collective amount of $2,000,000; increased the amount of grant funds available in the Pulaski Corridor Redevelopment Project Area ("Pulaski Corridor Area") by an additional $500,000 to a total, collective amount of $2,000,000; and increased the amount of grant funds available in the Roosevelt/Cicero Redevelopment Project Area ("Roosevelt/Cicero Area") by an additional $500,000 to a total, collective amount of $1,500,000; and

WHEREAS, the Forty-Third Amending Ordinance authorized DPD to enter into an agreement with SomerCor to continue to provide SBIF Program administrative services, and DPD and SomerCor now desire to enter into such an agreement, which will amend the Second SomerCor Agreement (the "Forty-Third Amending Agreement");

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

ARTICLE I

INCORPORATION AND RECITALS

The recitals set forth above are incorporated by reference as if fully set forth herein

ARTICLE II

REAFFIRMATION OF REPRESENTATIONS, WARRANTIES AND COVENANTS

SomerCor reaffirms each and every representation, warranty and covenant made in Article III of the Second SomerCor Agreement SomerCor reaffirms that it has insurance in force that conforms to the requirements of Section 4.8 of the Second SomerCor Agreement

ARTICLE III

AMENDMENTS TO SECOND SOMERCOR AGREEMENT

1. The Second SomerCor Agreement, as amended, is further amended, as follows:

(a) add the following text at the end of Exhibit 2 thereof:

; and

91) on July 21, 1999: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 24th/Michigan Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 24th/Michigan Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 24th/Michigan Redevelopment Project Area"; and

92) on May 29, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/Halsted Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th/Halsted Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47th/Halsted Redevelopment Project Area"; and

93) on September 27, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 79th/Vincennes Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 79th/Vincennes Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 79th/Vincennes Redevelopment Project Area."

(b) add the following text at the end of Exhibit 5 thereof

24th/Michigan Area	$500,000
47th/Halsted Area	$500,000
79th/Vincennes Area	$500,000

(a) amend the text in Exhibit 5 thereof increasing the maximum funds available for the following Areas, as follows

Bryn Mawr/Broadway Area	$1,750,000
Lawrence/Kedzie Area	$2,250,000
North Branch South Area	$1,500,000
Northwest Industrial Area	$3,500,000
Peterson/Pulaski Area	$2,000,000
Pulaski Corridor Area	$2,000,000
Roosevelt/Cicero Area	$1,500,000

(b) substitute the following for each occurrence of "One Hundred and Seventeen Million and Sixty Thousand Dollars ($117,060,000)" in Section 4.2 thereof:

One Hundred and Twenty-Two Million and Sixty Thousand Dollars ($122,060,000)

Except as set forth herein, the Agreement is not amended.

ARTICLE IV

OBLIGATION TO PROVIDE DOCUMENTS

SomerCor shall execute and deliver to DPD such documents as may be required by the Corporation Counsel of the City to evidence SomerCor's participation in the Program, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in substantially the form of Exhibit 2 attached hereto and incorporated herein.

IN WITNESS WHEREOF, the City and SomerCor have executed this Agreement as of the date first set forth above.

CITY OF CHICAGO

By: _____
Commissioner,
Department of Planning and Development

SOMERCOR 504, INC.

By: _____

Its: _____

EXHIBIT 1 to Forty-Third Amending Agreement

Description of New TIF/SBIF Areas

The following New TIF/SBIF Areas were created pursuant to the ordinances listed below.

on July 21, 1999: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 24th/Michigan Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 24th/Michigan Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 24th/Michigan Redevelopment Project Area"; and

on May 29, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/Halsted Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th/Halsted Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47th/Halsted Redevelopment Project Area"; and

on September 27, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 79th/Vincennes Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 79th/Vincennes Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 79th/Vincennes Redevelopment Project Area."

EXHIBIT 2 to Forty-Third Amending Agreement

Form of Counsel's Opinion

_____, 2015

City of Chicago
Department of Planning and Development
121 North LaSalle Street
Suite 1000
Chicago, Illinois 60602

RE: Amending Agreement to Administrative Services Agreement (the "Agreement")

Ladies and Gentlemen:

I have acted as counsel for SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor"), in connection with the execution and delivery of the Agreement by and between SomerCor and the City of Chicago, acting by and through its Department of Planning and Development (the "City"). SomerCor has requested that this opinion be furnished to the City.

In so acting as counsel for SomerCor I have examined:

(i) an executed original of the Agreement;

(ii) the Articles of Incorporation, including all amendments thereto, of SomerCor as furnished and certified by the Secretary of State of the State of Illinois;

(iii) the By-Laws of SomerCor, as certified by the Secretary of SomerCor as of the date hereof; and

(iv) the Certificate of Good Standing dated _____, issued by the Office of the Secretary of State of the State of Illinois, as to the good standing of SomerCor

In my capacity as counsel, I have also examined such other documents or instruments as I have deemed relevant for the purposes of rendering the opinions hereinafter set forth

I have also assumed, but have no reason to question, the legal capacity, authority and the genuineness of the signatures of and due and proper execution and delivery by the respective parties other than SomerCor which has made, executed or delivered or will make, execute and deliver the agreements and documents examined by me

I express no opinion as to (i) the laws of any state or jurisdiction other than the State of Illinois (and any political subdivisions thereof) and the United States of America, and (ii) any matters pertaining or relating to the securities laws of the United States of America, the State of Illinois or any other state

Based upon and subject to the assumptions and qualifications herein stated, it is my opinion

that:

1. SomerCor is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois, SomerCor has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to carry on its business and to execute and deliver, and to consummate the transactions contemplated by, the Agreement.

2 The Agreement has been duly executed and delivered on behalf of SomerCor, and constitutes a legal, valid and binding obligation of SomerCor, enforceable against SomerCor in accordance with its terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.

3 There is no action, suit or proceeding at law or in equity pending, nor to my knowledge threatened, against or affecting SomerCor, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of SomerCor to perform under the Agreement or any of its business or properties or financial or other conditions.

4. The transactions contemplated by the Agreement are governed by the laws of the State of Illinois.

5. The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby will not constitute:

   A. a violation or breach of (i) the Articles of Incorporation of SomerCor, (ii) the By-Laws of SomerCor, (iii) any provision of any contract or other instrument to which SomerCor is bound, or (iv) any order, writ, injunction, decree, statute, rule or regulation binding on SomerCor, or

   B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any of the property of SomerCor pursuant to any agreement or other instrument to which SomerCor is a party or by which SomerCor is bound

6 No action of, or filing with, any governmental or public body is required to authorize, or is otherwise required for the validity of, the execution, delivery and performance of any of the Agreement

This opinion is furnished for your benefit and may be relied upon by you and any such other party in connection with the Agreement, but may not be delivered to or relied upon by any other person or entity without written consent from the undersigned

Very truly yours,

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Somercor 504, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] **the Applicant**
   OR
2. [ ] **a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest:** _____
   OR
3. [ ] **a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:** _____

B. Business address of the Disclosing Party: 601 S. LaSalle St. - Ste. 510
Chicago, IL 60605

C. Telephone: 312-360-3300 Fax: 312-360-3333 Email: dfrank@somercor.com

D. Name of contact person: David Frank

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

SBIF Administrative Services Agreement.

G. Which City agency or department is requesting this EDS? Dept. of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[X] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [X] No
[X] Other (please specify)
501(c)(4)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See Attachment "A"	
All members are natural persons; no member is a legal entity.	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
N/A – None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the *Applicant understands and acknowledges that compliance with Article I is a continuing requirement for* doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
N/A		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI – CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

N/A

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[X] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [X] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [X] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

This corporation does not have an affirmative action program.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Somer Cor 504, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Frank
(Print or type name of person signing)

Executive Director
(Print or type title of person signing)

Signed and sworn to before me on (date) January 6, 2015
at Cook County, Illinois (state).

Winifred Dowd
Notary Public

Commission expires: 5/10/16

OFFICIAL SEAL
WINIFRED DOWD
Notary Public - State of Illinois
My Commission Expires May 10, 2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

Attachment "A"

Somercor 504, Inc. - Directors

Dan Lang	Memorial City Bank
Georgia Nordwall	Precise Group
David Frank	SomerCor 504, Inc.
Peter Stickler	Inland Bank
Charles Krawitz	Fifth Third Bank
Mike Hawley	NB&T
Lynn Dubajic	Yorkville Economic Devlopment Corp.
Joseph E. Shultz	Community Bank of Wheaton/Glen Ellyn
Jeff Scott	First Capital Bank
Jon Winick	Clark Street Capital Management
Greg Donahue	JP Morgan Chase
Scott Heiman	Sussex Financial Group. Inc.
Santiago Martinez	Gold Coast Bank
Michael Plumb	Lee & Associates of Illinois, LLC
Joseph Brocato	Pedersen & Houpt
Diana Dahl	
Steve Jaffe	Edot
Carrie Pohl	PNC
Officers	
President	David Frank
Executive Vice President	Milan Maslic
Chief Credit Risk Officer	Eric Spokas
SBIF Director	Jacob Stern
Senior Vice President	David Sommers
Vice President	P. Mac Dobson
Vice President	Darin Gehrke
Vice President	Bill Kornit
Vice President	Paul Jastrzebski
Vice President	Carlie Dunteman
Secretary	Russel I. Shapiro

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Somercor 504, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] **the Applicant**
   OR
2. [ ] **a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest:** _____
   OR
3. [ ] **a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:** _____

B. **Business address of the Disclosing Party:** 601 S. LaSalle St. - Ste. 510
Chicago, IL 60605

C. Telephone: 312-360-3300 Fax: 312-360-3333 Email: dfrank@somercor.com

D. Name of contact person: David Frank

E. Federal Employer Identification No. (if you have one): 36-3837330

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

SBIF Administrative Services Agreement.

G. Which City agency or department is requesting this EDS? Dept. of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[X] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [X] No
[X] Other (please specify)
501(c)(4)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See Attachment "A"	
All members are natural persons; no member is a legal entity.	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
N/A – None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party *certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged* with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under *Section IV, "Disclosure of Subcontractors and Other Retained Parties"*);
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this BDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this BDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
N/A		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI – CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[X] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [X] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [X] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

This corporation does not have an affirmative action program.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Somer Cor 504, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Frank
(Print or type name of person signing)

Executive Director
(Print or type title of person signing)

Signed and sworn to before me on (date) January 6, 2015
at Cook County, Illinois (state).

Winifred Dowd
Notary Public

Commission expires: 5/10/16

OFFICIAL SEAL
WINIFRED DOWD
Notary Public - State of Illinois
My Commission Expires May 10, 2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

Attachment "A"

Somercor 504, Inc. - Directors

Dan Lang	Memorial City Bank
Georgia Nordwall	Precise Group
David Frank	SomerCor 504, Inc.
Peter Stickler	Inland Bank
Charles Krawitz	Fifth Third Bank
Mike Hawley	NB&T
Lynn Dubajic	Yorkville Economic Devlopment Corp.
Joseph E. Shultz	Community Bank of Wheaton/Glen Ellyn
Jeff Scott	First Capital Bank
Jon Winick	Clark Street Capital Management
Greg Donahue	JP Morgan Chase
Scott Heiman	Sussex Financial Group. Inc.
Santiago Martinez	Gold Coast Bank
Michael Plumb	Lee & Associates of Illinois, LLC
Joseph Brocato	Pedersen & Houpt
Diana Dahl	
Steve Jaffe	Edot
Carrie Pohl	PNC
Officers	
President	David Frank
Executive Vice President	Milan Maslic
Chief Credit Risk Officer	Eric Spokas
SBIF Director	Jacob Stern
Senior Vice President	David Sommers
Vice President	P. Mac Dobson
Vice President	Darin Gehrke
Vice President	Bill Kornit
Vice President	Paul Jastrzebski
Vice President	Carlie Dunteman
Secretary	Russel I. Shapiro

City of Chicago

O2015-753

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Approval of multi-family Loan with Hilliard Homes II Limited Partnership for replacement of deteriorated windows in Hilliard II Buildings at 2030 S State St and 30 W Cermak Rd
Committee(s) Assignment:	Committee on Finance

FIN.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the execution of Multi-Family Loan agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City, and

WHEREAS, the City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Planning and Development ("DPD"); and

WHEREAS, as of May 1, 2005, DPD made a loan (the "Loan") of Multi-Family Program Funds in the original principal amount of $3,350,000 to Hilliard Homes II Limited Partnership, an Illinois limited partnership (the "Borrower"), of which HH2 Development Corporation, an Illinois corporation (of which Peter Holsten is the sole member) is the sole managing general partner, which Loan was secured by a Junior Mortgage, Security Agreement and Financing Statement (the "Junior Mortgage") for the purpose of financing a portion of the costs of rehabilitating (the "2004-07 Rehab") two historically significant buildings which contain a total of 327 affordable dwelling units (the "Hilliard II Buildings"); and

WHEREAS, the 2004-07 Rehab utilized financing from PNC MultiFamily Finance, Inc. in the original principal amount of $3,400,000, which is secured by a Leasehold Mortgage (the "Senior Mortgage"); and

WHEREAS, the 2004-07 Rehab further utilized financing from Bank of America, N.A. in the original principal amount of $24,925,576, which is secured by a Leasehold Deed of Trust (the "Second Mortgage"); and

WHEREAS, the 2004-07 Rehab further utilized financing from the Chicago Housing Authority in the original principal amount of $24,425,000, which is secured by a Subordinate Mortgage, Security Agreement and Financing Statement (the "Third Mortgage"), and

WHEREAS, the 2004-07 Rehab included preserving all the windows on the lower floors of the Hilliard II Buildings (the "Windows") pursuant to an agreement with the Illinois State Historic Preservation Office (the "IL SHPO"); and

WHEREAS, the Windows have deteriorated since the 2004-07 Rehab; and

WHEREAS, the IL SHPO has approved the replacement of the Windows with replicas designed to imitate the look of the originals (the "Window Replacement"), and

WHEREAS, the Borrower has requested financing from the City for the cost of the Window Replacement, and

WHEREAS, DPD has preliminarily reviewed and approved the making of a subordinate loan to Borrower, in an amount not to exceed $308,765 (the "Loan"), to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof, now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Commissioner of DPD (the "Commissioner") and a designee of the Commissioner (collectively, the "Authorized Officer") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. This ordinance shall be effective as of the date of its passage and approval.

EXHIBIT A

BORROWER	Hilliard Homes II Limited Partnership, an Illinois limited partnership (the "Borrower"), of which HH2 Development Corporation, an Illinois corporation (of which Peter Holsten is the sole member) is the sole managing general partner, and of which Alliant Tax Credit 32, G P., Inc , a Florida corporation, is the sole administrative general partner, and of which certain other entities are limited partners	
PROJECT	Replacement of certain historically significant windows in the Hilliard II Buildings located at 2030 S. State Street and 30 W. Cermak Road, Chicago (the "Property")	
LOAN.	Source:	Multi-Family Program Funds
	Amount.	Not to exceed $308,765
	Term:	Not to exceed 42 years
	Interest:	Zero percent per annum
	Security:	Non-recourse loan; Mortgage on the Property subordinate to (i) the liens of the Senior, Second and Third Mortgages, and (ii) the lien of the Junior Mortgage

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Hilliard Homes II Limited Partnership

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1020 West Montrose Avenue
Chicago, Illinois 60613

C. Telephone: 312-274-9137 Fax: 312-337-4592 Email: josephdunne@holstenchicago.com

D. Name of contact person: Joseph Dunne

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
HH2 Development Corporation	Managing General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant Tax Credit Fund 32, Ltd.	21600 Oxnard Street, Suite 1200 Woodland Hills, CA 91367-4949	99.98%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Applegate & Thorne-Thomsen	626 West Jackson Blvd., Chicago	Attorney	$20,000
Developers Mortgage Corporation	221 North LaSalle Street, Suite 3333 Chicago, Illinois 60601	Mortgage Banking	$35,000

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[X] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [X] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [X] No

If you checked "No" to question 1. or 2. above, please provide an explanation:
The Applicant is a limited partnership and has no employees.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Hilliard Homes II Limited Partnership
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter Holsten
(Print or type name of person signing)

Member, HH2 Development Corporation
Managing General Partner
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 3, 2014,
at Cook County, _____ (state).

_____ Notary Public.

Commission expires: 8/26/15.

"OFFICIAL SEAL"
NIKISHIANNA CLAY
Notary Public, State of Illinois
My Commission Expires 08/26/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

HH2 Development Corporation

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1020 West Montrose Avenue
Chicago, Illinois 60613

C. Telephone: 312-274-9137 Fax: 312-337-4592 Email: josephdunne@holstenchicago.com

D. Name of contact person: Joseph Dunne

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Peter Holsten	President

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Peter Holsten	1020 West Montrose Ave Chicago, Illinois 60613	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

HH2 Development Corporation
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter Holsten
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec 3, 2014,
at Cook County, _____ (state).

_____ Notary Public.

Commission expires: 8/26/15.

"OFFICIAL SEAL"
NIKISHIANNA CLAY
Notary Public, State of Illinois
My Commission Expires 08/26/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Tax Credit Fund 32, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant Capital, Ltd.	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant Capital, Ltd.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	0.01% (GP)
Verizon Credit, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99.99% (LP)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Tax Credit Fund 32, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here) By: Alliant Capital, Ltd., its general partner
By: Alliant, Inc., its general partner
By: Brian Goldberg, President

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Capital, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant, Inc.	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	1% (GP)
The Alliant Company, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99% (LP)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Capital, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here) By: Alliant, Inc , its general partner
By: Brian Goldberg, President

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Alliant Company, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

D. Name of contact person: Shawn Horwitz

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant, Inc.	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	1% (Managing Member)
Palm Drive Associates, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24.75% (Non-Managing Member)
344 Columbia Associates, Ltd.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24.75% (Non-Managing Member)
SAK Housing, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	49.5% (Non-Managing Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Alliant Company, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here) By: Alliant, Inc., its managing member
By: Shawn Horwitz, CEO

Shawn Horwitz
(Print or type name of person signing)

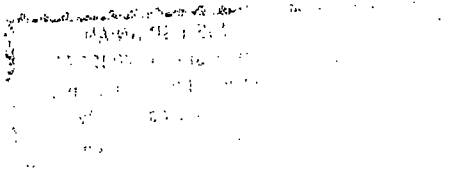
Chief Executive Officer
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 09/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017



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APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Sidney Kohl	Director/Chairman of the Board
Shawn Horwitz	Director/Chief Executive Office
Scott Kotick	Director/Executive Vice President
Brian Goldberg	President
James Jenkins	Director/Vice President/Treasurer/Secretary

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Sidney Kohl	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	50% Shareholder
Shawn Horwitz	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	25% Shareholder
Scott Kotick	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	25% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at LosAngeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Robert Kohl	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Kohl New Generations Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	11.25%
SAK Housing, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	45%
Sidney A Kohl 2012 Irrevocable Family Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24%
The Lawrence Kohl 2013 Family Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	15%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Robert Kohl
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand
Notary Public Expires: 3-24-2018

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073457
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Kohl New Generations Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Pentacorp, Inc., Patricia Fadness, President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SK Grandchildren	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Kohl New Generations Trust
(Print or type name of Disclosing Party)

By: Patricia Fadness
(Sign here) By: Pentacorp, Inc., Trustee
By: Patricia Fadness, President

Patricia Fadness
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Sidney A. Kohl	President
James C. Jenkins	Vice President / Treasurer

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Jana Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder
Lisa Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder
Lori Gandleman 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

James C. Jenkins
(Print or type name of person signing)

Vice President / Treasurer
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Sidney A Kohl 2012 Irrevocable Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Robert Kohl	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SK Grandchildren	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Sidney A Kohl 2012 Irrevocable Family Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Robert Kohl
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec 4, 2014.
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Lawrence Kohl 2013 Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Pentacorp, Inc., Patricia Fadness, President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Lawrence Kohl	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Lawrence Kohl 2013 Family Trust
(Print or type name of Disclosing Party)

By: Patricia Fadness
(Sign here) By: Pentacorp, Inc., Trustee
By: Patricia Fadness, President

Patricia Fadness
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

Commission expires: 3-24-2018.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Palm Drive Associates, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 21600 Oxnard Street, suite 1200
Woodland Hills, CA 91367

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

D. Name of contact person: Shawn Horwitz

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Shawn Horwitz	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Shawn Horwitz	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Managing Member)
Joanne Horwitz	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Palm Drive Associates, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Shawn Horwitz
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 09/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

344 Columbia Associates, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 21600 Oxnard Street, Suite 1200
Woodland Hills, CA 91367

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: scott.kotick@alliantcapital.com

D. Name of contact person: Scott Kotick

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Ohio

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Scott Kotick	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Scott Kotick	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	25% (Managing Member)
Myra Kotick	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	25% (Member)
Kotick Family, LP	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

344 Columbia Associates, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Scott Kotick
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Credit Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 221 East 37 Street, 7 Floor
New York, NY 10016

C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: Peter.D.Rutherford@Verizon.Com

D. Name of contact person: Peter D. Rutherford

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity.
NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.
NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See Attached	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
GTE Corporation	140 West Street New York, NY 10007	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter? Upon knowledge without inquiry

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records. Verification is based on a cursory review of some records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City. to the best of my knowledge.

Verizon Credit Inc.
(Print or type name of Disclosing Party)

By: P. Rutherford
(Sign here)

Peter D. Rutherford
(Print or type name of person signing)

Senior Vice President-Transactions and Portfolio Management
(Print or type title of person signing)

Signed and sworn to before me on (date) December 5, 2014,
at New York County, New York (state).

Marva Levine Notary Public.

Commission expires:_____.

MARVA LEVINE
Notary Public, State of New York
No. 02LE-4818478
Qualified in New York County
Commission Expires February 28, 2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [ ] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

Verizon Credit Inc. -- *Current Officers*

Name	Title
Cordy, Scott L.	Vice President - Taxes
Ellis, Matthew D.	Chairman of the Board
Golabek, Michael J.	Environmental Health and Safety Officer
Jankun, Richard P.	Vice President - Taxes
Krakowski, Richard F.	Senior Vice President - Chief Financial Officer and Risk Management, and Assistant Treasurer
Krause, Tracy	Treasurer
Levine, Marva M.	Vice President - Assistant General Counsel and Secretary
Manniello, Mario	Vice President - Taxes
Mason, J. Daniel	Assistant Secretary
Mattiola, Paul L.	Vice President - Taxes
Metzger, Kathleen	Vice President - Taxes
Meyer, Bonnie M.	Vice President - Affiliate Vendor Finance
Perrett, Londa C.	Assistant Secretary
Prashker, Audrey E.	Vice President and General Counsel
Repp, Paul H.	President and Chief Executive Officer
Rutherford, Peter D.	Senior Vice President - Transactions and Portfolio Management

Verizon Credit Inc. -- *Current Directors*

Name

Ellis, Matthew D.

Repp, Paul H.

Van Saders, William P.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Communications, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 221 East 37 Street, 7th floor
New York, NY 10016

C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: peter.d.rutherford@verizon.com

D. Name of contact person: Peter.D.Rutherford

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	23-2259884
(State or other jurisdiction of incorporation or organization)	(I R S Employer Identification No)
1095 Avenue of the Americas New York, New York (Address of principal executive offices)	**10036** (Zip Code)

Registrant's telephone number, including area code: (212) 395-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232 405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) ☐ Yes ☒ No

At September 30, 2014, 4 149,723,706 shares of the registrant's common stock were outstanding, after deducting 92,650,534 shares held in treasury

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Item 1 Financial Statements

Condensed Consolidated Statements of Income
Verizon Communications Inc and Subsidiaries

(dollars in millions, except per share amounts) (unaudited)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Operating Revenues	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Operating Expenses				
Cost of services and sales (exclusive of items shown below)	12,252	10 960	35,528	32 925
Selling, general and administrative expense	8,277	8,037	24,159	24,232
Depreciation and amortization expense	4,167	4 154	12,465	12,423
Total Operating Expenses	24,696	23,151	72,152	69 580
Operating Income	6,890	7,128	21,735	19 905
Equity in earnings (losses) of unconsolidated businesses	(48)	19	1,811	134
Other income and (expense) net	71	20	(767)	84
Interest expense	(1,255)	(555)	(3,633)	(1,606)
Income Before Provision For Income Taxes	5,658	6,612	19,156	18 517
Provision for income taxes	(1,864)	(1,034)	(5,052)	(2,886)
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Net income attributable to noncontrolling interests	$ 99	$ 3,346	$ 2,248	$ 9,201
Net income attributable to Verizon	3,695	2,232	11,856	6,430
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Basic Earnings Per Common Share				
Net income attributable to Verizon	$ 89	$ 78	$ 3 03	$ 2 24
Weighted-average shares outstanding (in millions)	4,152	2,866	3,912	2,866
Diluted Earnings Per Common Share				
Net income attributable to Verizon	$ 89	$ 78	$ 3 03	$ 2 24
Weighted-average shares outstanding (in millions)	4 159	2,874	3,919	2,874
Dividends declared per common share	$ 0 55	$ 0 53	$ 1 61	$ 1 56

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Comprehensive Income
Verizon Communications Inc and Subsidiaries

(dollars in millions) (unaudited)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Other comprehensive gain (loss), net of taxes				
Foreign currency translation adjustments	(114)	140	(1,054)	4
Unrealized gain (loss) on cash flow hedges	153	6	(11)	(12)
Unrealized gain (loss) on marketable securities	(13)	14	(1)	(1)
Defined benefit pension and postretirement plans	(39)	(36)	(117)	(108)
Other comprehensive gain (loss) attributable to Verizon	(13)	124	(1,183)	(117)
Other comprehensive gain (loss) attributable to noncontrolling interests	–	4	(23)	(11)
Total Comprehensive Income	$ 3,781	$ 5 706	$ 12 898	$ 15,503
Comprehensive income attributable to noncontrolling interests	$ 99	$ 3 350	$ 2,225	$ 9,190
Comprehensive income attributable to Verizon	3,682	2 356	10 673	6,313
Total Comprehensive Income	$ 3,781	$ 5,706	$ 12,898	$ 15,503

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheets
Verizon Communications Inc and Subsidiaries

(dollars in millions, except per share amounts) (unaudited)	At September 30, 2014	At December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 7,218	$ 53,528
Short-term investments	635	601
Accounts receivable, net of allowances of $646 and $645	13,283	12,439
Inventories	1,206	1,020
Prepaid expenses and other	2,431	3,406
Total current assets	24,773	70,994
Plant, property and equipment	230,152	220,865
Less accumulated depreciation	140,520	131,909
	89,932	88,956
Investments in unconsolidated businesses	818	3,432
Wireless licenses	75,303	75,747
Goodwill	24,617	24,634
Other intangible assets, net	5,738	5,800
Other assets	5,112	4,535
Total assets	$ 226,293	$ 274,098
Liabilities and Equity		
Current liabilities		
Debt maturing within one year	$ 1,603	$ 3,933
Accounts payable and accrued liabilities	17,055	16,453
Other	8,231	6,664
Total current liabilities	26,889	27,050
Long-term debt	107,627	89,658
Employee benefit obligations	25,770	27,682
Deferred income taxes	42,269	28,639
Other liabilities	5,750	5,653
Equity		
Series preferred stock ($ 10 par value none issued)	–	–
Common stock ($ 10 par value, 4,242,374,240 and 2,967,610,119 shares issued in each period, respectively)	424	297
Contributed capital	11,089	37,939
Reinvested earnings	6,964	1,782
Accumulated other comprehensive income	1,175	2,358
Common stock in treasury, at cost	(3,465)	(3,961)
Deferred compensation – employee stock ownership plans and other	390	421
Noncontrolling interests	1,391	56,580
Total equity	17,968	95,416
Total liabilities and equity	$ 226,293	$ 274,098

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Cash Flows
Verizon Communications Inc and Subsidiaries

(dollars in millions) (unaudited)	Nine Months Ended September 30, 2014	2013
Cash Flows from Operating Activities		
Net Income	$ 14,104	$ 15,631
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	12,465	12,423
Employee retirement benefits	843	649
Deferred income taxes	914	3,011
Provision for uncollectible accounts	684	746
Equity in earnings of unconsolidated businesses, net of dividends received	(1,785)	(100)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(816)	(1,078)
Other, net	(3,252)	(2,895)
Net cash provided by operating activities	23,157	28,387
Cash Flows from Investing Activities		
Capital expenditures (including capitalized software)	(12,624)	(11,807)
Acquisitions of investments and businesses, net of cash acquired	(180)	(81)
Acquisitions of wireless licenses	(343)	(430)
Proceeds from dispositions of wireless licenses	2,367	2,111
Proceeds from dispositions of businesses	120	–
Other, net	230	184
Net cash used in investing activities	(10,430)	(10,023)
Cash Flows from Financing Activities		
Proceeds from long-term borrowings	21,575	49,166
Repayments of long-term borrowings and capital lease obligations	(12,594)	(2,392)
Decrease in short-term obligations, excluding current maturities	(426)	(324)
Dividends paid	(5,653)	(4,420)
Proceeds from sale of common stock	34	76
Purchase of common stock for treasury	–	(153)
Special distribution to noncontrolling interest	–	(3,150)
Acquisition of noncontrolling interest	(58,886)	–
Other, net	(3,087)	(3,550)
Net cash provided by (used in) financing activities	(59,037)	35,253
Increase (decrease) in cash and cash equivalents	(46,310)	53,617
Cash and cash equivalents, beginning of period	53,528	3,093
Cash and cash equivalents, end of period	$ 7,218	$ 56,710

See Notes to Condensed Consolidated Financial Statements

Notes to Condensed Consolidated Financial Statements
Verizon Communications Inc and Subsidiaries
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared based upon Securities and Exchange Commission rules that permit reduced disclosure for interim periods For a more complete discussion of significant accounting policies and certain other information, you should refer to the financial statements included in the Verizon Communications Inc (Verizon or the Company) Annual Report on Form 10-K for the year ended December 31, 2013 These financial statements reflect all adjustments that are necessary for a fair presentation of results of operations and financial condition for the interim periods shown including normal recurring accruals and other items The results for the interim periods are not necessarily indicative of results for the full year We have reclassified certain prior year amounts to conform to the current year presentation Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other The impact of this reclassification was not material to our condensed consolidated financial statements

Revenue Recognition

We offer new and existing customers the option to participate in Verizon Edge, a program that provides eligible wireless customers with the ability to pay for handsets under an equipment installment plan Under the Verizon Edge program, customers have the right to upgrade their handset after a minimum of 30 days, subject to certain conditions, including making a stated portion of the required device payments, trading in their handset in good working condition and signing a new contract with Verizon Upon upgrade, the outstanding balance of the equipment installment plan is exchanged for the used handset This trade-in right is accounted for as a guarantee obligation

Verizon Edge is a multiple-element arrangement typically consisting of the trade-in right, handset and monthly wireless service At the inception of the arrangement, the amount allocable to the delivered units of accounting is limited to the amount that is not contingent upon the delivery of the monthly wireless service (the noncontingent amount) The full amount of the trade-in right's fair value (not an allocated value) will be recognized as the guarantee liability and the remaining allocable consideration will be allocated to the handset The value of the guarantee liability effectively results in a reduction to revenue recognized for the sale of the handset The guarantee liability is measured at fair value upon initial recognition based on assumptions lacking observable pricing inputs including the probability and timing of the customer upgrading to a new phone, the customer's estimated remaining installment balance at the time of trade-in and the estimated fair value of the phone at the time of trade-in and therefore is classified within Level 3 of the fair value hierarchy When the customer trades-in their used phone, the handset received is recorded to inventory and measured as the difference between the remaining equipment installment plan balance at the time of trade-in and the guarantee liability The guarantee liability may increase after initial recognition as a result of changes in facts or assumptions and we will account for any increase in the guarantee liability with a corresponding decrease to revenue The subsequent derecognition of the guarantee liability occurs when the guarantor is released from risk, which will occur at the earlier of the time the trade-in right is exercised or expires

Leasing Arrangements

At each reporting period, we monitor the credit quality of the various lessees in our portfolios Regarding the leveraged lease portfolio, we use external credit reports where available and where not available we use internally developed indicators These indicators or internal credit risk grades factor historic loss experience, the value of the underlying collateral delinquency trends, and industry and general economic conditions The credit quality of our lessees primarily varies from AAA to CCC– For each reporting period the leveraged leases within the portfolio are reviewed for indicators of impairment where it is probable the rent due according to the contractual terms of the lease will not be collected All significant accounts, individually or in the aggregate, are current and none are classified as impaired

Earnings Per Common Share

There were a total of approximately 7 million outstanding dilutive securities, primarily consisting of restricted stock units included in the computation of diluted earnings per common share for the three and nine months ended September 30, 2014, respectively There were a total of approximately 8 million outstanding dilutive securities, primarily consisting of restricted stock units, included in the computation of diluted earnings per common share for the three and nine months ended September 30, 2013, respectively There were no outstanding options to purchase shares that would have been anti-dilutive for the three months ended September 30, 2014 Outstanding options to purchase shares that were not included in the computation of diluted earnings per common share, because to do so would have been anti-dilutive for the period, were not significant for the nine months ended September 30, 2014 and the three and nine months ended September 30, 2013 respectively

Recently Adopted Accounting Standards

During the first quarter of 2014, we adopted the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. The adoption of this standard update did not have a significant impact on our condensed consolidated financial statements.

Recent Accounting Standards

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures of disposals of components of an entity was issued. This standard update changes the criteria for reporting discontinued operations and enhances convergence of the reporting requirements for discontinued operations. As a result of this standard update, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results. This standard update is effective as of the first quarter of 2015, however, earlier adoption is permitted.

In May 2014, the accounting standard update related to the recognition of revenue from contracts with customers was issued. This standard update clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards. The standard update intends to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, and provide more useful information to users of financial statements through improved disclosure requirements. Upon adoption of this standard update, we expect that the allocation and timing of revenue recognition will be impacted. We expect to adopt this standard update during the first quarter of 2017.

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers. Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients. Under the other method, the guidance is applied to contracts not completed as of the date of initial application, recognizing the cumulative effect of the change as an adjustment to the beginning balance of retained earnings, and also requires additional disclosures comparing the results to the previous guidance. We are currently evaluating these adoption methods and the impact that this standard update will have on our condensed consolidated financial statements.

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period was issued. The standard update resolves the diverse accounting treatment for these share-based payments by requiring that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. We will adopt this standard update during the first quarter of 2016. The adoption of this standard update is not expected to have a significant impact on our condensed consolidated financial statements.

2. Acquisitions and Divestitures

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller) pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion.

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VF1 Inc.), which indirectly through certain subsidiaries (together with VF1 Inc., the Purchased Entities) owned the Vodafone Interest. In consideration for the Transferred Shares, upon completion of the Wireless Transaction, Verizon (i) paid approximately $58.89 billion in cash, (ii) issued approximately 1.27 billion shares of Verizon's common stock, par value $0.10 per share (the Stock Consideration), which was valued at approximately $61.3 billion at the closing of the Wireless Transaction, (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5.0

billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23.1% interest in Vodafone Omnitel N.V. (Omnitel, and such interest, the Omnitel Interest), valued at $3.5 billion and (v) provided other consideration, which included the assumption of preferred stock valued at approximately $1.7 billion. The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness. See Note 4 for additional information.

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted. As a result, we accounted for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in the Partnership. Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted has been recognized in equity attributable to Verizon.

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also consummated the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement. As a result, during the nine months ended September 30, 2014, we recognized a pre-tax gain of $1.9 billion on the disposal of the Omnitel interest in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income.

Verizon Notes

The Verizon Notes were issued to Vodafone pursuant to Verizon's existing indenture. The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 (the eight-year Verizon Notes) and $2.5 billion due February 21, 2025 (the eleven-year Verizon Notes). The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014. The eight-year Verizon Notes bear interest at a floating rate equal to three-month London Interbank Offered Rate (LIBOR), plus 1.222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%. The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series. Beginning two years after the closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017. Any Verizon Notes held by third parties will not be redeemable by Verizon prior to their maturity dates. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration provided to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D shares (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction.

Deferred Tax Liabilities

Certain deferred taxes directly attributable to the Wireless Transaction have been calculated based on an analysis of taxes attributable to the difference between the tax basis of the investment in the noncontrolling interest that is assumed compared to Verizon's book basis. As a result, Verizon recorded a deferred tax liability of approximately $13.5 billion.

Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA, Inc. (T-Mobile USA) to exchange certain Advanced Wireless Services (AWS) and Personal Communication Services (PCS) licenses. The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these exchanges, we received $0.9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2 4 billion, and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses As a result, we received $1 6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0 7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014

During September 2014, we entered into a license exchange agreement with affiliates of AT&T Inc to exchange certain AWS and PCS spectrum licenses This non-cash exchange, which is subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, is expected to close in the first quarter of 2015 Upon completion of the transaction, we expect to record an immaterial gain

During the three and nine months ended September 30, 2014, we acquired various other wireless licenses and markets for cash consideration that was not significant

Wireline

On July 1 2014 we sold a non-strategic Wireline business which provides communications solutions to a variety of government agencies, for net cash proceeds of $0 1 billion and recorded an immaterial gain

Other

During February 2014, Verizon acquired a business dedicated to the development of Internet Protocol (IP) television for cash consideration that was not significant

On October 7, 2014, Redbox Instant by Verizon, a venture between Verizon and Redbox Automated Retail, LLC (Redbox), a wholly-owned subsidiary of Outerwall Inc , ceased providing service to its customers In accordance with an agreement between the parties Redbox withdrew from the venture on October 20, 2014 and Verizon will wind down and dissolve the venture during the next few months As a result of the termination of the venture, we expect to record a pre-tax loss of approximately $0 1 billion in the fourth quarter of 2014

3 Wireless Licenses, Goodwill and Other Intangible Assets

Wireless Licenses

Changes in the carrying amount of Wireless licenses are as follows

(dollars in millions)	
Balance at January 1, 2014	$ 75 747
Acquisitions (Note 2)	438
Dispositions (Note 2)	(1,978)
Capitalized interest on wireless licenses	162
Reclassifications, adjustments and other	934
Balance at September 30, 2014	$ 75,303

Reclassifications, adjustments and other includes the exchanges of wireless licenses in 2014 as well as $0 3 billion of Wireless licenses that are classified as held for sale and included in Prepaid expenses and other on our condensed consolidated balance sheet at September 30, 2014 (see Note 2 for additional details)

At September 30, 2014 approximately $2 2 billion of Wireless licenses were under development for commercial service for which we were capitalizing interest costs

Goodwill

Changes in the carrying amount of Goodwill are as follows

(dollars in millions)	Wireless	Wireline	Total
Balance at January 1, 2014	$ 18,376	$ 6,258	$ 24,634
Acquisitions (Note 2)	15	10	25
Dispositions (Note 2)	–	(38)	(38)
Reclassifications, adjustments and other	–	(4)	(4)
Balance at September 30, 2014	$ 18,391	$ 6,226	$ 24,617

Other Intangible Assets

The following table displays the composition of Other intangible assets net

	At September 30, 2014			At December 31, 2013		
(dollars in millions)	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer lists (5 to 13 years)	$ 3 634	$ (2,870)	$ 764	$ 3,639	$ (2,660)	$ 979
Non-network internal-use software (3 to 7 years)	12 841	(8,183)	4 658	11,770	(7 317)	4,453
Other (2 to 25 years)	665	(349)	316	691	(323)	368
Total	$ 17,140	$ (11,402)	$ 5,738	$ 16 100	$ (10,300)	$ 5,800

The amortization expense for Other intangible assets was as follows

(dollars in millions)	Three Months Ended September 30,	Nine Months Ended September 30,
2014	$ 391	$ 1,178
2013	398	1,183

The estimated future amortization expense for Other intangible assets is as follows

Years	(dollars in millions)
Remainder of 2014	$ 401
2015	1,379
2016	1,145
2017	959
2018	795

4 Debt

Changes to debt during the nine months ended September 30, 2014 are as follows

(dollars in millions)	Debt Maturing within One Year	Long-term Debt	Total
Balance at January 1, 2014	$ 3,933	$ 89,658	$ 93,591
Proceeds from long-term borrowings	–	21,575	21,575
Verizon Notes	–	5,000	5 000
Preferred Stock	–	1,650	1,650
Repayments of long-term borrowings and capital leases obligations	(3,363)	(9,231)	(12 594)
Decrease in short-term obligations, excluding current maturities	(426)	–	(426)
Reclassifications of long-term debt	1,097	(1 097)	–
Other	362	72	434
Balance at September 30, 2014	$ 1,603	$ 107,627	$ 109,230

During February 2014, we issued €1 75 billion aggregate principal amount of 2 375% Notes due 2022, €1.25 billion aggregate principal amount of 3 25% Notes due 2026 and £0 85 billion aggregate principal amount of 4 75% Notes due 2034 The issuance of these Notes resulted in cash proceeds of approximately $5 4 billion, net of discounts and issuance costs The net proceeds were used in part, to finance the Wireless Transaction Net proceeds not used to finance the Wireless Transaction were used for general corporate purposes Also, during February 2014, we issued $0 5 billion aggregate principal amount of 5 90% Notes due 2054 resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes

On March 10, 2014, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the series of notes listed in the following table

(dollars in millions, except for Purchase Price)	Interest Rate	Maturity	Principal Amount Outstanding	Purchase Price [1]	Principal Amount Purchased
Verizon Communications	6 10%	2018	$ 1,500	$ 1,170 07	$ 748
	5 50%	2018	1,500	1,146 91	763
	8 75%	2018	1,300	1,288 35	564
	5 55%	2016	1,250	1,093 62	652
	5 50%	2017	750	1,133 22	353
Cellco Partnership and Verizon Wireless Capital LLC	8 50%	2018	1,000	1,279 63	619
Alltel Corporation	7 00%	2016	300	1,125 26	157
GTE Corporation	6 84%	2018	600	1,196 85	266
					$ 4,122

[1] Per $1 000 principal amount of notes

The Tender Offer for each series of notes was subject to a financing condition, which was either satisfied or waived with respect to all series The Tender Offer expired on March 17, 2014 and settled on March 19, 2014 In addition to the purchase price, any accrued and unpaid interest on the purchased notes was paid to the date of purchase During March 2014, we recorded early debt redemption costs in connection with the Tender Offer (see "Early Debt Redemption")

During March 2014, we issued $4 5 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $4.5 billion net of discounts and issuance costs The issuances consisted of the following: $0 5 billion aggregate principal amount Floating Rate Notes due 2019 that bear interest at a rate equal to three-month LIBOR plus 0 77%

which rate will be reset quarterly $0 5 billion aggregate principal amount of 2 55% Notes due 2019, $1 0 billion aggregate principal amount of 3 45% Notes due 2021, $1 25 billion aggregate principal amount of 4 15% Notes due 2024 and $1 25 billion aggregate principal amount of 5 05% Notes due 2034 During March 2014, the net proceeds were used to purchase notes in the Tender Offer described above

During March 2014, Verizon Wireless redeemed $1 25 billion aggregate principal amount of the Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018 at 127 135% of the principal amount of such notes, plus accrued and unpaid interest (see "Early Debt Redemption") Also, during March 2014, $1 0 billion of LIBOR plus 0 61% Verizon Communications Notes and $1 5 billion of 1 95% Verizon Communications Notes matured and were repaid

During September 2014, we issued $0 9 billion aggregate principal amount of 4 8% Notes due 2044 The issuance of these Notes resulted in cash proceeds of approximately $0 9 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes Also, during September 2014, we redeemed $0 8 billion aggregate principal amount of Verizon 1 25% Notes due November 2014 and recorded an immaterial amount of early debt redemption costs

On October 22, 2014, we sold $6 5 billion aggregate principal amount of fixed rate notes, which are expected to settle on October 29, 2014 We expect to receive cash proceeds of approximately $6 425 billion, net of discounts and issuance costs and after reimbursement of certain expenses The sale consisted of the following $1 5 billion aggregate principal amount of 3 00% Notes due 2021, $2 5 billion aggregate principal amount of 3 50% Notes due 2024, and $2 5 billion aggregate principal amount of 4 40% Notes due 2034 The net proceeds from the offering will be used to redeem (i) in whole the following series of outstanding notes which have been called for early redemption in November 2014 Verizon 4 90% Notes due 2015, Verizon 5 55% Notes due 2016 Verizon 3 00% Notes due 2016, Verizon 5 50% Notes due 2017, Verizon 8 75% Notes due 2018 Alltel Corporation 7 00% Debentures due 2016 and Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018 and (ii) $1 0 billion aggregate principal amount of Verizon 2 50% Notes due 2016 Any proceeds not used for the redemption of these notes will be used for general corporate purposes

May Exchange Offer

On May 29, 2014, we announced the commencement of a private exchange offer (the May Exchange Offer) to exchange up to all Cellco Partnership and Verizon Wireless Capital LLC's £0 6 billion outstanding aggregate principal amount of 8 875% Notes due 2018 (the 2018 Old Notes) for Verizon's new sterling-denominated Notes due 2024 (the New Notes) and an amount of cash This exchange offer has been accounted for as a modification of debt In connection with the May Exchange Offer, which expired on June 25, 2014, we issued £0 7 billion aggregate principal of New Notes and made a cash payment of £22 million in exchange for £0 6 billion aggregate principal amount of tendered 2018 Old Notes The New Notes bear interest at a rate of 4 073% per annum

Concurrent with the issuance of the New Notes, we entered into cross currency swaps to fix our future interest and principal payments in U S dollars (see Note 6)

July Exchange Offers

On July 23, 2014, we announced the commencement of eleven separate private offers to exchange (the July Exchange Offers) specified series of outstanding Notes issued by Verizon and Alltel Corporation (collectively, the Old Notes) for new Notes to be issued by Verizon The July Exchange Offers have been accounted for as a modification of debt On August 21, 2014, Verizon issued $3 3 billion aggregate principal amount of 2 625% Notes due 2020 (the 2020 New Notes), $4 5 billion aggregate principal amount of 4 862% Notes due 2046 (the 2046 New Notes) and $5 5 billion aggregate principal amount of 5 012% Notes due 2054 (the 2054 New Notes) in satisfaction of the exchange offer consideration on tendered Old Notes (not including accrued and unpaid interest on the Old Notes) The following tables list the series of Old Notes included in the July Exchange Offers and the principal amount of each such series accepted by Verizon for exchange

The table below lists the series of Old Notes included in the July Exchange Offers for the 2020 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	3 65%	2018	$ 4,750	$ 2,052
	2 50%	2016	4,250	1,068
				$ 3,120

The table below lists the series of Old Notes included in the July Exchange Offers for the 2046 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6 40%	2033	$ 6,000	$ 1,645
	7 75%	2030	2,000	794
	7 35%	2039	1,000	520
	7 75%	2032	400	149
Alltel Corporation	7 875%	2032	700	248
	6 80%	2029	300	65
				$ 3,421

The table below lists the series of Old Notes included in the July Exchange Offers for the 2054 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6 55%	2043	$ 15 000	$ 4,330
	6 40%	2038	1,750	–
	6 90%	2038	1,250	–
				$ 4,330

Term Loan Agreement

During February 2014, we drew $6 6 billion pursuant to a term loan agreement with a group of major financial institutions to finance, in part, the Wireless Transaction $3 3 billion of the loans under the term loan agreement had a maturity of three years (the 3-Year Loans) and $3 3 billion of the loans under the term loan agreement had a maturity of five years (the 5-Year Loans) The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding Loans under the term loan agreement bear interest at floating rates The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3 50 1 00, until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor s Ratings Services, respectively

During June 2014 we issued $3 3 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $3 3 billion, net of discounts and issuance costs The issuances consisted of the following $1 3 billion aggregate principal amount of Floating Rate Notes due 2017 that will bear interest at a rate equal to three-month LIBOR plus 0 40% which will be reset quarterly and $2 0 billion aggregate principal amount of 1 35% Notes due 2017 We used the net proceeds from the offering of these notes to repay the 3-Year Loans on June 12, 2014

During July 2014, we amended the term loan agreement, settled the outstanding $3 3 billion of 5-Year Loans and borrowed $3 3 billion of new loans The new loans mature in July 2019, bear interest at a lower interest rate and require lower amortization payments in 2017 and 2018 In connection with the transaction, which primarily settled on a net basis, we recorded approximately $0 5 billion of proceeds from long-term borrowings and of repayments of long-term borrowings, respectively

Verizon Notes

During February 2014, in connection with the Wireless Transaction we issued $5 0 billion aggregate principal amount of floating rate notes to Vodafone These notes were issued in two separate series, with $2 5 billion due February 21, 2022 and $2 5 billion due February 21, 2025 The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 (see Note 2) The eight-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1 222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372%

Preferred Stock

As a result of the Wireless Transaction, we assumed long-term obligations with respect to 5 143% Class D and Class E cumulative Preferred Stock issued by one of the Purchased Entities Both the Class D shares (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends Dividends accrue at 5 143% per annum and will be treated as interest expense Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction

Other Credit Facilities

On July 31, 2014, we amended our $6 2 billion credit facility to increase the availability to $8 0 billion and extend the maturity to July 31, 2018 At the same time, we terminated our $2 0 billion 364-day revolving credit agreement As of September 30, 2014, the unused borrowing capacity under this credit facility was approximately $7 9 billion

Early Debt Redemption

During March 2014, we recorded net debt redemption costs of $0 9 billion in connection with the early redemption of $1 25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018, and the purchase of the following notes pursuant to the Tender Offer $0 7 billion of the then outstanding $1 5 billion aggregate principal amount of Verizon 6 10% Notes due 2018 $0 8 billion of the then outstanding $1 5 billion aggregate principal amount of Verizon 5 50% Notes due 2018, $0 6 billion of the then outstanding $1 3 billion aggregate principal amount of Verizon 8 75% Notes due 2018, $0 7 billion of the then outstanding $1 25 billion aggregate principal amount of Verizon 5 55% Notes due 2016, $0 4 billion of the then outstanding $0 75 billion aggregate principal amount of Verizon 5 50% Notes due 2017, $0 6 billion of the then outstanding $1 0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018, $0 2 billion of the then outstanding $0 3 billion aggregate principal amount of Alltel Corporation 7 00% Debentures due 2016 and $0 3 billion of the then outstanding $0 6 billion aggregate principal amount of GTE Corporation 6 84% Debentures due 2018

We recognize early debt redemption costs in Other income and (expense), net on our condensed consolidated statement of income

Guarantees

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries As of September 30, 2014, $3 1 billion aggregate principal amount of these obligations remained outstanding Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, including the operating telephone company no longer being a wholly-owned subsidiary of Verizon

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003 As of September 30, 2014, $1 4 billion aggregate principal amount of these obligations remain outstanding

Debt Covenants

We and our consolidated subsidiaries are in compliance with all of our debt covenants

5 Wireless Equipment Installment Plans

We offer new and existing customers the option to participate in Verizon Edge, a program that provides eligible wireless customers with the ability to pay for their handset over a period of time (an equipment installment plan) and the right to upgrade their handset after a minimum of 30 days, subject to certain conditions, including making a stated portion of the required device payments, trading in their handset in good working condition and signing a new contract with Verizon. At September 30, 2014, the guarantee liability related to this program was approximately $0.7 billion.

At the time of sale, we impute risk adjusted interest on the receivables associated with Verizon Edge. We record the imputed interest as a reduction to the related accounts receivable. Interest income, which is included within Other income and (expense) net on our condensed consolidated statements of income, is recognized over the financed installment term.

We assess the collectability of our Verizon Edge receivables based upon a variety of factors, including the credit quality of the customer base, payment trends and other qualitative factors. The current portion of our receivables related to Verizon Edge included in Accounts receivable was $1.4 billion at September 30, 2014 and was not material at December 31, 2013. The long-term portion of the equipment installment plan receivables included in Other assets was $0.6 billion at September 30, 2014 and was not material at December 31, 2013.

The credit profiles of our customers with a Verizon Edge plan are similar to those of our customers with a traditional subsidized plan. Customers with a credit profile which carries a higher risk are required to make a down payment for equipment financed through Verizon Edge.

6 Fair Value Measurements

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of September 30, 2014.

(dollars in millions)	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total
Assets:				
Short-term investments				
Equity securities	$ 388	$ –	$ –	$ 388
Fixed income securities	–	247	–	247
Other assets				
Fixed income securities	–	908	–	908
Interest rate swaps	–	44	–	44
Cross currency swaps	–	9	–	9
Total	$ 388	$ 1,208	$ –	$ 1,596
Liabilities:				
Other liabilities				
Forward interest rate swaps	$ –	$ 138	$ –	$ 138
Cross currency swaps and other	–	123	–	123
Total	$ –	$ 261	$ –	$ 261

[1] quoted prices in active markets for identical assets or liabilities

[2] observable inputs other than quoted prices in active markets for identical assets and liabilities

[3] no observable pricing inputs in the market

Equity securities consist of investments in common stock of domestic and international corporations measured using quoted prices in active markets.

Fixed income securities consist primarily of investments in municipal bonds that do not have quoted prices in active markets. For these securities, we use alternative matrix pricing resulting in these debt securities being classified as Level 2.

Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified within Level 2. We use mid-market pricing for fair value measurements of our derivative instruments. Our derivative instruments are recorded on a gross basis.

We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the fair value hierarchy during the nine months ended September 30, 2014.

Fair Value of Short-term and Long-term Debt

The fair value of our debt is determined using various methods, including quoted prices for identical terms and maturities, which is a Level 1 measurement, as well as quoted prices for similar terms and maturities in inactive markets and future cash flows discounted at current rates, which are Level 2 measurements. The fair value of our short-term and long-term debt, excluding capital leases, was as follows:

	At September 30, 2014		At December 31, 2013	
(dollars in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short- and long-term debt, excluding capital leases	$ 108,685	$ 121,972	$ 93,298	$ 103,527

Derivative Instruments

We enter into derivative transactions to manage our exposure to fluctuations in foreign currency exchange rates, interest rates, and equity and commodity prices. We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks. We do not hold derivatives for trading purposes.

We measure all derivatives, including derivatives embedded in other financial instruments, at fair value and recognize them as either assets or liabilities on our condensed consolidated balance sheets. Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period. Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item. Changes in the fair value of the effective portions of cash flow hedges are reported in Other comprehensive loss and recognized in earnings when the hedged item is recognized in earnings.

Interest Rate Swaps

We enter into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to Interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our condensed consolidated balance sheets as assets and liabilities. The fair value of these contracts was not material at September 30, 2014 and December 31, 2013, respectively. As of September 30, 2014, the total notional amount of the interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material for the three and nine months ended September 30, 2014, respectively.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a total notional value of $2.0 billion. We designated these contracts as cash flow hedges. In March 2014, we settled these forward interest rate swaps and the pre-tax gain was not material. During the first and second quarters of 2014, we entered into forward interest rate swaps with total notional values of $0.9 billion and $3.1 billion, respectively. During the third quarter of 2014, we entered into forward interest rate swaps with a total notional value of $0.8 billion. We designated these contracts as cash flow hedges.

In October 2014, we settled $1.25 billion of forward interest rate swaps.

Cross Currency Swaps

During the first quarter of 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

During the second quarter of 2014, in connection with the May Exchange Offer, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.2 billion of British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the effect of foreign currency transaction gains or losses In June 2014, we settled $0 8 billion of these cross currency swaps as part of the Exchange Offer and the gains with respect to these swaps were not material

A portion of the gains and losses recognized in Other comprehensive income (loss) was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was $0 1 billion at September 30, 2014 and was not material at December 31, 2013 During the three and nine months ended September 30, 2014, a pre-tax loss of $0 1 billion and an immaterial pre-tax loss, respectively were recognized in Other comprehensive income (loss) During the three and nine months ended September 30, 2013, a pre-tax gain of $0 1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss)

7. Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and other awards The maximum number of shares available for awards from the Plan is 119 6 million shares

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant The RSUs are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period Dividend equivalent units are also paid to participants at the time the RSU award is paid, and in the same proportion as the RSU award

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting The PSU award liability is measured at its fair value at the end of each reporting period and, therefore will fluctuate based on the price of Verizon common stock as well as performance relative to the targets Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award

The following table summarizes the Restricted Stock Unit and Performance Stock Unit activity

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding, January 1 2014	16,193	23 724
Granted	5,041	7,080
Payments	(6,165)	(9,153)
Cancelled/Forfeited	(229)	(252)
Outstanding, September 30, 2014	14,840	21,399

As of September 30, 2014 unrecognized compensation expense related to the unvested portion of outstanding RSUs and PSUs was approximately $0 5 billion and is expected to be recognized over approximately two years

The RSUs granted in 2014 have a weighted-average grant date fair value of $47 19 per unit

8 Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees In addition, we maintain postretirement health care and life insurance plans for our retirees and their dependents, which are both contributory and non-contributory and include a limit on our share of the cost for certain recent and future retirees In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets These estimates are updated in the fourth quarter or upon a remeasurement event to reflect actual return on plan assets and updated actuarial assumptions The adjustment will be recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains and losses

Net Periodic Benefit (Income) Cost

The following table summarizes the benefit (income) cost related to our pension and postretirement health care and life insurance plans

(dollars in millions)	Pension		Health Care and Life	
Three Months Ended September 30,	**2014**	**2013**	**2014**	**2013**
Service cost	$ 82	$ 99	$ 65	$ 79
Amortization of prior service cost (credit)	(2)	2	(63)	(62)
Expected return on plan assets	(296)	(311)	(41)	(36)
Interest cost	259	251	277	273
Net periodic benefit cost	$ 43	$ 41	$ 238	$ 254

(dollars in millions)	Pension		Health Care and Life	
Nine Months Ended September 30,	**2014**	**2013**	**2014**	**2013**
Service cost	$ 245	$ 296	$ 194	$ 238
Amortization of prior service cost (credit)	(6)	5	(190)	(185)
Expected return on plan assets	(886)	(933)	(122)	(108)
Interest cost	777	752	831	821
Remeasurement gain, net	–	(237)	–	–
Net periodic benefit (income) cost	$ 130	$ (117)	$ 713	$ 766

Pension Remeasurement

During the three and six months ended June 30, 2013, we recorded net pre-tax pension remeasurement credits of approximately $0 2 billion, in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur The pension remeasurement credits relate to settlements for employees who received lump-sum distributions The credits were primarily driven by an approximately 75 basis point increase in our discount rate assumption used to determine the current year liabilities of one of our pension plans The change in discount rate resulted in a gain of $0 3 billion, partially offset by a loss resulting from the difference between our expected return on assets assumption of 7 5% at December 31, 2012 and our annualized actual return on assets of 7 2% at June 30, 2013, as well as other losses ($0 1 billion) Our weighted-average discount rate assumption increased from 4 2% at December 31 2012 to 5 0% at June 30 2013

During the three months ended September 30 2013 as a result of the settlements noted above we performed a pension remeasurement in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur This remeasurement was not material to our condensed consolidated statement of income for the period

During October 2014, the Society of Actuaries finalized new actuarial tables for applying mortality assumptions to measure qualified defined benefit plan and other post-employment benefit obligations We are currently evaluating the impact these new tables may have on our condensed consolidated financial statements, which may be material

Severance Payments

During the three and nine months ended September 30, 2014, we paid severance benefits of $0 1 billion and $0 4 billion, respectively At September 30, 2014, we had a remaining severance liability of $0.4 billion a portion of which includes future contractual payments to employees separated as of September 30, 2014

Employer Contributions

During the three and nine months ended September 30, 2014, we contributed $0 2 billion and $1 1 billion, respectively, to our other postretirement benefit plans During the three and nine months ended September 30, 2014, we contributed $0 7 billion and $1 5 billion respectively, to our qualified pension plans The contributions to our nonqualified pension plans were $0 1 billion during the three and nine months ended September 30, 2014 There have been no material changes with respect to the qualified and nonqualified pension contributions in 2014 as previously disclosed in Part II Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31 2013

9. Equity and Accumulated Other Comprehensive Income

Equity

Changes in the components of Total equity were as follows

(dollars in millions)	Attributable to Verizon	Noncontrolling Interests	Total Equity
Balance at January 1, 2014	$ 38,836	$ 56,580	$ 95,416
Net income	11,856	2,248	14,104
Other comprehensive loss	(1,183)	(23)	(1,206)
Comprehensive income	10 673	2,225	12,898
Issuance of common stock	127	–	127
Contributed capital	(26,850)	–	(26,850)
Dividends declared	(6,674)	–	(6,674)
Common stock in treasury	496	–	496
Purchase of noncontrolling interest	–	(55,960)	(55,960)
Distributions and other	(31)	(1,454)	(1,485)
Balance at September 30, 2014	$ 16,577	$ 1,391	$ 17,968

The changes in Common stock, Contributed capital and Purchase of noncontrolling interest are primarily due to the completion of the Wireless Transaction on February 21 2014 See Note 2 for additional information

Prior to the closing of the Wireless Transaction noncontrolling interests included in our condensed consolidated financial statements primarily consisted of Vodafone's 45% ownership interest in Verizon Wireless The noncontrolling interests that remain after the completion of the Wireless Transaction primarily relate to wireless partnership entities

Common Stock

As a result of the Wireless Transaction, Verizon issued approximately 1 27 billion shares of Verizon common stock

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 8 1 million common shares issued from Treasury stock during the nine months ended September 30, 2014, which had an aggregate value of $0 4 billion

Accumulated Other Comprehensive Income

The changes in the balances of Accumulated other comprehensive income by component are as follows

(dollars in millions)	Foreign currency translation adjustments	Unrealized loss on cash flow hedges	Unrealized loss on marketable securities	Defined benefit pension and postretirement plans	Total
Balance at January 1, 2014	$ 853	$ 113	$ 117	$ 1,275	$ 2,358
Other comprehensive income (loss)	(143)	99	14	–	(30)
Amounts reclassified to net income	(911)	(110)	(15)	(117)	(1,153)
Net other comprehensive loss	(1,054)	(11)	(1)	(117)	(1,183)
Balance at September 30, 2014	$ (201)	$ 102	$ 116	$ 1,158	$ 1,175

The amounts presented above in net other comprehensive loss are net of taxes and noncontrolling interests, which are not significant For the nine months ended September 30, 2014, the amounts reclassified to net income related to foreign currency translation adjustments are included in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income and are a result of the completion of the Omantel Transaction See Note 2 for additional details For the nine months ended September 30, 2014, the amounts reclassified to net income related to defined benefit pension and postretirement plans were included in Cost of services and sales and Selling, general and administrative expense on our condensed consolidated statement of income For the nine months ended September 30, 2014, all other amounts reclassified to net income were included in Other income and (expense) net on our condensed consolidated statement of income

10. Segment Information

Reportable Segments

We have two reportable segments which we operate and manage as strategic business units and organize by products and services We measure and evaluate our reportable segments based on segment operating income, consistent with the chief operating decision maker's assessment of segment performance

Corporate, eliminations and other includes unallocated corporate expenses, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, pension and other employee benefit related costs lease financing, as well as the historical results of divested operations and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance Effective January 1, 2014 we have also reclassified the results of certain businesses such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other The impact of this reclassification was not material to our condensed consolidated financial statements or our segment results of operations

On July 1, 2014, our Wireline segment divested a non-strategic business (see Note 2) Accordingly, the historical Wireline results for these operations have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results

Our segments and their principal activities consist of the following

Segment	Description
Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States
Wireline	Wireline s voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world

The following table provides operating financial information for our two reportable segments

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
External Operating Revenues				
Wireless				
Retail service	$ 17,543	$ 16,764	$ 52,052	$ 49,327
Other service	794	737	2,313	1,950
Service revenue	18,337	17,501	54,365	51,277
Equipment	2,479	1,921	6,735	5,679
Other	991	952	3,011	2,866
Total Wireless	21,807	20,374	64,111	59,822
Wireline				
Consumer retail	3,902	3,735	11,606	11,020
Small business	613	637	1,858	1,907
Mass Markets	4,515	4,372	13,464	12,927
Strategic services	2,068	2,044	6,207	6,055
Core	1,315	1,490	4,097	4,575
Global Enterprise	3,383	3,534	10,304	10,630
Global Wholesale	1,307	1,374	3,979	4,230
Other	119	109	366	321
Total Wireline	9,324	9,389	28,113	28,108
Total segments	31,131	29,763	92,224	87,930
Corporate, eliminations and other	455	516	1,663	1,555
Total consolidated - reported	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Intersegment Revenues				
Wireless	$ 28	$ 25	$ 86	$ 76
Wireline	252	268	756	804
Total segments	280	293	842	880
Corporate, eliminations and other	(280)	(293)	(842)	(880)
Total consolidated – reported	$ –	$ –	$ –	$ –
Total Operating Revenues				
Wireless	$ 21,835	$ 20,399	$ 64,197	$ 59,898
Wireline	9,576	9,657	28,869	28,912
Total segments	31,411	30,056	93,066	88,810
Reconciling items	175	223	821	675
Total consolidated – reported	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Operating Income				
Wireless	$ 6,955	$ 6,886	$ 21,258	$ 19,768
Wireline	225	147	619	216
Total segments	7,180	7,033	21,877	19,984
Reconciling items	(290)	95	(142)	(79)
Total consolidated – reported	$ 6,890	$ 7,128	$ 21,735	$ 19,905

(dollars in millions)	At September 30, 2014	At December 31, 2013
Assets		
Wireless	$ 158,443	$ 146,429
Wireline	80,135	84,573
Total segments	238,578	231,002
Corporate, eliminations and other	(12,285)	43,096
Total consolidated – reported	$ 226,293	$ 274,098

Corporate eliminations and other at December 31, 2013 is primarily comprised of cash and cash equivalents which were used to complete the Wireless Transaction on February 21, 2014

A reconciliation of the segment operating revenues to consolidated operating revenues is as follows

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Total segment operating revenues	$ 31,411	$ 30,056	$ 93,066	$ 88,810
Impact of divested operations (Note 2)	–	157	256	466
Corporate, eliminations and other	175	66	565	209
Total consolidated operating revenues	$ 31,586	$ 30,279	$ 93,887	$ 89,485

A reconciliation of the total of the reportable segments' operating income to consolidated income before provision for income taxes is as follows

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Total segment operating income	$ 7,180	$ 7,033	$ 21,877	$ 19,984
Gain on spectrum license transactions (Note 2)	–	278	707	278
Pension remeasurement (Note 8)	–	–	–	237
Impact of divested operations (Note 2)	–	8	12	26
Corporate, eliminations and other	(290)	(191)	(861)	(620)
Total consolidated operating income	6,890	7,128	21,735	19,905
Equity in earnings (losses) of unconsolidated businesses	(48)	19	1,811	134
Other income and (expense) net	71	20	(757)	84
Interest expense	(1,255)	(555)	(3,633)	(1,606)
Income Before Provision For Income Taxes	$ 5,658	$ 6,612	$ 19,156	$ 18,517

We generally account for intersegment sales of products and services and asset transfers at current market prices No single customer accounted for more than 10% of our total operating revenues during the three and nine months ended September 30, 2014 and 2013

11. Commitments and Contingencies

In the ordinary course of business Verizon is involved in various commercial litigation and regulatory proceedings at the state and federal level Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Company establishes an accrual In none of the currently pending matters is the amount of accrual material An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings, including (1) uncertain damage theories and demands (2) a less than complete factual record (3) uncertainty concerning legal theories and their resolution by courts or regulators, and (4) the unpredictable nature of the opposing party and its demands We continuously monitor these proceedings as

they develop and adjust any accrual or disclosure as needed We do not expect that the ultimate resolution of any pending regulatory or legal matter in future periods, including the Hicksville matter described below, will have a material effect on our financial condition but it could have a material effect on our results of operations for a given reporting period

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Verizon is currently involved in approximately 70 federal district court actions alleging that Verizon is infringing various patents Most of these cases are brought by non-practicing entities and effectively seek only monetary damages, a small number are brought by companies that have sold products and seek injunctive relief as well These cases have progressed to various stages and a small number may go to trial in the coming 12 months if they are not otherwise resolved

In connection with the execution of agreements for the sales of businesses and investments Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters, such as ownership of the securities being sold as well as indemnity from certain financial losses From time to time, counterparties may make claims under these provisions, and Verizon will seek to defend against those claims and resolve them in the ordinary course of business

Subsequent to the sale of Verizon Information Services Canada in 2004, we continue to provide a guarantee to publish directories, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions) The preexisting guarantee continues, without modification, despite the subsequent sale of Verizon Information Services Canada and the spin-off of our domestic print and Internet yellow pages directories business The possible financial impact of the guarantee, which is not expected to be adverse, cannot be reasonably estimated as a variety of the potential outcomes available under the guarantee result in costs and revenues or benefits that may offset each other We do not believe performance under the guarantee is likely

Verizon Communications Inc. (Verizon or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies. With a presence in over 150 countries around the world, we offer voice, data and video services and solutions on our wireless and wireline networks that are designed to meet customers' demand for mobility, reliable network connectivity, security and control. We have two reportable segments, Wireless and Wireline. Our wireless business, operating as Verizon Wireless, provides voice and data services and equipment sales across the United States using one of the most extensive and reliable wireless networks. Our wireline business provides consumer, business and government customers with communications products and services, including broadband data and video services, network access, voice, long distance and other communications products and services, and also owns and operates one of the most expansive end-to-end global Internet Protocol (IP) networks. We have a highly skilled, diverse and dedicated workforce of approximately 178,500 employees as of September 30, 2014.

In recent years, Verizon has embarked upon a strategic transformation as advances in technology have changed the ways that our customers interact in their personal and professional lives and that businesses operate. To meet the changing needs of our customers and address the changing technological landscape, we are focusing our efforts around higher margin and growing areas of our business: wireless data, wireline data and Strategic services, including cloud computing services.

Our strategy requires significant capital investments primarily to acquire wireless spectrum, put the spectrum into service, provide additional capacity for growth in our wireless and wireline networks, invest in the fiber optic network that supports our wireless and wireline businesses, maintain our wireless and wireline networks and develop and maintain significant advanced information technology systems and data system capabilities. We believe that steady and consistent investments in networks and platforms will drive innovative products and services and fuel our growth. Our wireless and wireline networks will continue to be the hallmark of our brand and provide the fundamental strength upon which we build our competitive advantage.

On February 21, 2014, we completed the acquisition of Vodafone Group Plc's (Vodafone) indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless for aggregate consideration of approximately $130 billion (the Wireless Transaction). The consideration paid was primarily comprised of cash of approximately $58.89 billion and Verizon common stock with a value of approximately $61.3 billion. See "Acquisitions and Divestitures" for additional information.

In our Wireless business, during the three months ended September 30, 2014 compared to the similar period in 2013, revenue growth of 7.0% was driven by service revenue growth of 4.8% as the demand for fourth-generation (4G) Long-Term Evolution (LTE) smartphones and tablets continues. Also contributing to the increase in Wireless revenue was equipment revenue growth of 28.9% driven by higher sales of equipment under both the traditional subsidy model and Verizon Edge. At September 30, 2014, retail postpaid connections were 5.2% higher than at September 30, 2013, with smartphones representing 77% of our retail postpaid phone base at September 30, 2014 compared to 67% at September 30, 2013. Also during the three months ended September 30, 2014, postpaid smartphone activations represented 91% of phones activated compared to 85% in the similar period in 2013.

Now that we have substantially completed the deployment of our 4G LTE network, we are focusing the capital spending in our Wireless business on adding capacity and density to our existing 4G LTE network. Our 4G LTE network is available to approximately 98% of the U.S. population in more than 500 markets and covering approximately 308 million people, including those in areas served by our LTE in Rural America partners. Our 4G LTE network provides higher data throughput performance for data services at lower cost compared to those provided via third-generation (3G) networks. In May 2014, we announced the deployment of Advanced Wireless Services (AWS) spectrum in our 4G LTE network. This additional bandwidth, which we refer to as XLTE, provides additional network capacity and is currently available in more than 400 markets. Nearly all of the devices Verizon Wireless currently sells can operate on XLTE. Nearly 79% of our total data traffic in September 2014 was carried on our 4G LTE network.

On February 13, 2014, we introduced our More Everything ® plans which replaced our Share Everything ® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among multiple devices connected to the Verizon Wireless network. As of September 30, 2014, More Everything accounts represented approximately 57% of our retail postpaid accounts compared to Share Everything plans representing approximately 41% of our retail postpaid accounts as of September 30, 2013. Verizon Wireless offers shared data plans for business, with More Everything plans for Small business and the Nationwide Business Data Packages and Plans

In our Wireline business, revenues declined 0.8% during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to revenue declines in Global Enterprise Core and Global Wholesale. These decreases were partially offset by revenue increases in Consumer retail driven by FiOS. FiOS represented approximately 76% of Consumer retail revenue during the three months ended September 30, 2014 compared to approximately 71% during the similar period in 2013. As the penetration of FiOS products increases, we continue to seek ways to increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are developed for this high-speed service, we expect that FiOS will become a hub for managing multiple home services that will eventually be part of the digital grid, including not just entertainment and communications but also machine-to-machine communications such as home monitoring, health monitoring, energy management and utilities management.

We continue to enrich the customer value proposition and drive investment returns by creating new and innovative services on our FiOS platform. During 2014, Verizon announced the introduction of FiOS Quantum TV, which provides FiOS TV customers with new features including the ability to record up to 12 shows at once and control live TV from any room in their home. This new service is now available everywhere that FiOS TV is offered. With our FiOS Quantum broadband service, residential and small business customers can achieve symmetrical upload and download speeds up to 500 megabytes per second, which we refer to as SpeedMatch ™.

Also in our Wireline business, total Global Enterprise and Global Wholesale revenues decreased due to declines in core services primarily as a result of lower voice services and data networking revenues as well as the contraction of market rates due to competition. To compensate for the shrinking market for traditional voice service, we continue to build our Wireline segment around data, video and advanced business services – areas where demand for reliable high-speed connections is growing. During the three months ended September 30, 2014, Strategic services revenues totaled $2.1 billion and represented 61% of total Global Enterprise revenues.

We are investing in innovative technology like wireless networks, high-speed fiber and cloud services to position ourselves at the center of growth trends of the future. During the nine months ended September 30, 2014, these investments included capital expenditures of $12.6 billion, acquisitions of wireless licenses of $0.3 billion and acquisitions of investments and businesses of $0.2 billion. During the nine months ended September 30, 2014, we also completed spectrum license transactions and, as a result, we received proceeds of $2.4 billion. See "Cash Flows Used in Investing Activities" and "Acquisitions and Divestitures" for additional information.

By investing in our own capabilities, we are also investing in the markets we serve by providing our communities with an efficient, reliable infrastructure for competing in the information economy. We are committed to putting our customers first and being a responsible member of our communities. Guided by this commitment and by our core values of integrity, respect, performance excellence and accountability, we believe we are well-positioned to produce a long-term return for our shareowners, create meaningful work for ourselves and provide something of lasting value for society.

Trends

We expect the activation of devices on Verizon Edge to contribute positively to our consolidated operating income and our Wireless segment operating income. As more customers adopt Verizon Edge, we expect retail postpaid ARPA (the average revenue per account from retail postpaid accounts) and service revenue to continue to be negatively impacted, and we expect equipment and other revenue to continue to be positively impacted.

There have been no significant changes to the information related to trends affecting our business that was disclosed in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013, except to the extent described above.

In this section, we discuss our overall results of operations and highlight items of a non-operational nature that are not included in our segment results. We have two reportable segments: Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. In "Segment Results of Operations," we review the performance of our two reportable segments.

On February 21, 2014, we completed the acquisition of Vodafone's indirect 45% interest in Verizon Wireless. As a result, our results reflect our 55% ownership of Verizon Wireless through the closing of the Wireless Transaction and reflect our full ownership of Verizon Wireless from the closing of the Wireless Transaction through September 30, 2014.

Corporate, eliminations and other includes unallocated corporate expenses such as certain pension and other employee benefit related costs, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, lease financing, as well as the historical results of divested operations and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance. We believe that this presentation assists users of our financial statements in better understanding our results of operations and trends from period to period. Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other. The impact of this reclassification was not material to our condensed consolidated financial statements or our segment results of operations.

On July 1, 2014, our Wireline segment divested a non-strategic business (see "Acquisitions and Divestitures"). Accordingly, the historical Wireline results for these operations, which were not material to our condensed consolidated financial statements or our segment results of operations, have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results. The results of operations related to this divestiture included within Corporate, eliminations and other are as follows:

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Impact of Divested Operations				
Operating revenues	$ –	$ 157	$ 256	$ 466
Cost of services and sales	–	142	239	423
Selling, general and administrative expense	–	7	5	17

Consolidated Revenues

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	Increase/ (Decrease)	
Wireless								
Service revenue	$ 18,356	$ 17,516	$ 840	4.8%	$ 54,421	$ 51,322	$ 3,099	6.0%
Equipment and other	3,479	2,883	596	20.7	9,776	8,576	1,200	14.0
Total	21,835	20,399	1,436	7.0	64,197	59,898	4,299	7.2
Wireline								
Mass Markets	4,515	4,374	141	3.2	13,464	12,932	532	4.1
Global Enterprise	3,384	3,539	(155)	(4.4)	10,313	10,649	(336)	(3.2)
Global Wholesale	1,552	1,631	(79)	(4.8)	4,713	4,992	(279)	(5.6)
Other	125	113	12	10.6	379	339	40	11.8
Total	9,576	9,657	(81)	(0.8)	28,869	28,912	(43)	(0.1)
Corporate, eliminations and other	175	223	(48)	(21.5)	821	675	146	21.6
Consolidated Revenues	$ 31,586	$ 30,279	$ 1,307	4.3	$ 93,887	$ 89,485	$ 4,402	4.9

The increase in consolidated revenues during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily due to higher revenues at Wireless as well as higher Mass Markets revenues driven by FiOS services at our Wireline segment. Partially offsetting these increases were lower Global Enterprise and Global Wholesale revenues at our Wireline segment.

Wireless' revenues increased $1.4 billion or 7.0%, and $4.3 billion or 7.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 due to growth in service revenue and equipment and other revenue. The increase in service revenue during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of 4G LTE smartphones and tablets through our More Everything plans. Equipment and other revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in equipment sales, driven by sales of equipment under both the traditional subsidy model and Verizon Edge. During the three and nine months ended September 30, 2014, retail postpaid connection net additions increased compared to the similar periods in 2013 primarily due to an increase in retail postpaid connection gross additions, partially offset by an increase in our retail postpaid connection churn rate. Retail postpaid connections per account increased as of September 30, 2014 compared to September 30, 2013 primarily due to the increased penetration of tablets.

Wireline's revenues decreased 0.8% and 0.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of declines in Global Enterprise Core and Global Wholesale, partially offset by higher Mass Market revenues driven by FiOS services. During the nine months ended September 30, 2014, the decrease in Wireline's revenues was also partially offset by increased Strategic service revenues within Global Enterprise.

Mass Markets revenues increased $0.1 billion or 3.2%, and $0.5 billion or 4.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the expansion of FiOS services (Voice, Internet and Video), including our FiOS Quantum offerings, as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased $0.2 billion or 4.4%, and $0.3 billion or 3.2% respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to lower voice services and data networking revenues, the contraction of market rates due to competition and a decline in Core customer premise equipment revenues. This decrease during the nine months ended September 30, 2014 was partially offset by increases in Strategic services revenues, primarily due to increases in our application services, such as our cloud and data center offerings.

Global Wholesale revenues decreased $0.1 billion or 4.8%, and $0.3 billion or 5.6%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline in traditional voice revenues and a decline in domestic wholesale connections, partially offset by Ethernet migrations from core customers as well as continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities.

Consolidated Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 12,252	$ 10,960	$ 1,292	11.8%	$ 35,528	$ 32,925	$ 2,603	7.9%
Selling, general and administrative expense	8,277	8,037	240	3.0	24,159	24,232	(73)	(0.3)
Depreciation and amortization expense	4,167	4,154	13	0.3	12,465	12,423	42	0.3
Consolidated Operating Expenses	$ 24,696	$ 23,151	$ 1,545	6.7	$ 72,152	$ 69,580	$ 2,572	3.7

Cost of Services and Sales

Cost of services and sales increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in cost of equipment sales of $1.4 billion and $2.7 billion, respectively, at our Wireless segment as a result of an increase in the number of devices sold.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to gains recorded during the third quarter of 2013 related to the completion of wireless license transactions. Partially offsetting this increase was a decline in sales commission expense at our Wireless segment.

Selling, general and administrative expense decreased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to larger gains recorded during 2014 related to the completion of wireless license transactions, as compared to gains recorded during 2013 related to the completion of wireless license transactions, partially offset by a pension remeasurement credit recorded during 2013.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in net depreciable assets at our Wireless segment.

Non-operational Credits

Non-operational credits included in operating expenses were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Gain on spectrum license transactions	$ –	$ 278	$ 707	$ 278
Pension remeasurement	–	–	–	237

See "Other Items" for a description of non-operational items.

Consolidated Operating Income and EBITDA

Consolidated earnings before interest, taxes, depreciation and amortization expenses (Consolidated EBITDA) and Consolidated Adjusted EBITDA, which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in earnings (losses) of unconsolidated businesses and other income and (expense), net to net income.

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items and the impact of divested operations from the calculation of Consolidated EBITDA. Management believes that this measure provides additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. See "Other Items" for additional details regarding these non-operational items.

Operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates will be updated in the fourth quarter or upon a remeasurement event to reflect actual return on plan assets and updated actuarial assumptions. The adjustment will be recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses. These remeasurements could result in significant charges or credits to one or more of our pension plans.

During the second quarter of 2013, we recorded pension remeasurements in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur. During the third quarter of 2013, as a result of the previously recorded settlements, we performed a pension remeasurement which was not material.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Consolidated Operating Income	$ 6,890	$ 7,128	$ 21,735	$ 19,905
Add Depreciation and amortization expense	4,167	4,154	12,465	12,423
Consolidated EBITDA	$ 11,057	$ 11,282	$ 34,200	$ 32,328
Less Gain on spectrum license transactions	–	(278)	(707)	(278)
Less Pension remeasurement	–	–	–	(237)
Less Impact of divested operations	–	(8)	(12)	(26)
Consolidated Adjusted EBITDA	$ 11,057	$ 10,996	$ 33,481	$ 31,787

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were a result of the factors described in connection with operating revenues and operating expenses.

Other Consolidated Results

Equity in Earnings (Losses) of Unconsolidated Businesses

Equity in earnings (losses) of unconsolidated businesses decreased $0.1 billion during the three months ended September 30, 2014, compared to the similar period in 2013, primarily due to the sale of our interest in Vodafone Omnitel N.V. (Vodafone Omnitel) during the first quarter of 2014, which was part of the consideration for the Wireless Transaction.

Equity in earnings (losses) of unconsolidated businesses increased $1.7 billion during the nine months ended September 30, 2014, compared to the similar period in 2013, primarily due to the gain of $1.9 billion recorded on the sale of our interest in Vodafone Omnitel during the first quarter of 2014.

Other Income and (Expense), Net

Additional information relating to Other income and (expense), net is as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Interest income	$ 28	$ 14	$ 14	100.0%	$ 72	$ 41	$ 31	75.6%
Other, net	43	6	37	nm	(829)	43	(872)	nm
Total	$ 71	$ 20	$ 51	nm	$ (757)	$ 84	$ (841)	nm

nm – not meaningful

Other income and (expense), net decreased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to net early debt redemption costs of $0.9 billion recorded during the first quarter of 2014 (see "Other Items").

Interest Expense

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Total interest costs on debt balances	$ 1,331	$ 745	$ 586	78.7%	$ 3,957	$ 2,159	$ 1,798	83.3%
Less capitalized interest costs	76	190	(114)	(60.0)	324	553	(229)	(41.4)
Total	$ 1,255	$ 555	$ 700	nm	$ 3,633	$ 1,606	$ 2,027	nm
Average debt outstanding	$ 109,503	$ 56,636			$ 107,034	$ 54,524		
Effective interest rate	4.9%	5.3%			4.9%	5.3%		

nm – not meaningful

Total interest costs on debt balances increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the issuance of fixed and floating rate notes to finance the Wireless Transaction (see "Acquisitions and Divestitures") resulting in an increase in average debt and a corresponding increase in interest expense, partially offset by a lower effective interest rate (see "Consolidated Financial Condition"). Capitalized interest costs were lower during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decrease in wireless licenses that are currently under development.

Provision for Income Taxes

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Provision for income taxes	$ 1,864	$ 1,034	$ 830	80.3%	$ 5,052	$ 2,886	$ 2,166	75.1%
Effective income tax rate	32.9%	15.6%			26.4%	15.6%		

The effective income tax rate is calculated by dividing the provision for income taxes by income before the provision for income taxes. As a result of the completion of the Wireless Transaction, the difference in the effective income tax rate as compared to the statutory federal income tax rate will no longer be significant due to the inclusion of income within our income before the provision for income taxes that was previously attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership. Prior to the completion of the Wireless Transaction, our annual effective income tax rate was significantly lower than the statutory federal income tax rate due to the inclusion of income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership within our income before the provision for income taxes, which resulted in our effective income tax rate being 16.1 and 15.4 percentage points lower during the three and nine months ended September 30, 2013, respectively.

The increase in the provision for income taxes and the effective income tax rate during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 is primarily due to increased income taxes on the incremental income included in Verizon's post-acquisition income before the provision for income taxes resulting from the acquisition of Vodafone's indirect 45% interest in Verizon Wireless on February 21, 2014. The increase during the nine months ended September 30, 2014 compared to the similar period in 2013 was partially offset by the utilization of certain tax credits in the current period.

Unrecognized Tax Benefits

Unrecognized tax benefits were $1.8 billion at September 30, 2014 and $2.1 billion at December 31, 2013. Interest and penalties related to unrecognized tax benefits were $0.2 billion (after-tax) and $0.3 billion (after-tax) at September 30, 2014 and December 31, 2013, respectively. The decrease in unrecognized tax benefits was primarily due to the resolution of issues with the Internal Revenue Service (IRS) involving tax years 2007 through 2009, partially offset by an increase in unrecognized tax benefits related to the acquisition of Vodafone's indirect 45% interest in Verizon Wireless. The uncertain tax benefits related to the acquisition of Vodafone's indirect 45% interest in Verizon Wireless concern pre-acquisition tax controversies and are the subject of an indemnity from Vodafone for which a corresponding indemnity asset has been established.

Verizon and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state, local and foreign jurisdictions. As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions for various open tax years. Significant tax examinations and litigation are ongoing in New York City for tax years as early as 2000. It is reasonably possible that the amount of the liability for unrecognized tax benefits could change by a significant amount in the next twelve months. An estimate of the range of the possible change cannot be made until these tax matters are further developed or resolved.

Net Income Attributable to Noncontrolling Interests

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Net income attributable to noncontrolling interests	$ 99	$ 3,346	$ (3,247)	(97.0)%	$ 2,248	$ 9,201	$ (6,953)	(75.6)%

The decrease in Net income attributable to noncontrolling interests during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily due to the completion of the Wireless Transaction on February 21, 2014. As a result, our results reflect our 55% ownership of Verizon Wireless through the closing of the Wireless Transaction and reflect our full ownership of Verizon Wireless from the closing of the Wireless Transaction through September 30, 2014. The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnership entities.

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income. The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance.

Segment earnings before interest, taxes, depreciation and amortization (Segment EBITDA), which is presented below, is a non-GAAP measure and does not purport to be an alternative to operating income as a measure of operating performance. Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income.

Wireless Segment EBITDA service margin, also presented below, is calculated by dividing Wireless Segment EBITDA by Wireless service revenues. Wireless Segment EBITDA service margin utilizes service revenues rather than total revenues. Service revenues primarily exclude equipment revenues in order to reflect the impact of providing service to the wireless customer base on an ongoing basis. Wireline EBITDA margin is calculated by dividing Wireline EBITDA by total Wireline revenues.

Wireless

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership was formed as a joint venture in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. Prior to the completion of the Wireless Transaction, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, the Wireless Transaction was completed and Verizon acquired 100% ownership of Verizon Wireless. Verizon Wireless provides wireless communications services across one of the most extensive wireless networks in the United States.

We provide these services and equipment sales to consumer, business and government customers in the United States on a postpaid and prepaid basis. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance, and usage beyond the allowances is billed monthly in arrears. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

Operating Revenues and Selected Operating Statistics

(dollars in millions, except ARPA)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Retail service	$ 17,556	$ 16,776	$ 780	4.6%	$ 52,090	$ 49,367	$ 2,723	5.5%
Other service	800	740	60	8.1	2,331	1,955	376	19.2
Service revenue	18,356	17,516	840	4.8	54,421	51,322	3,099	6.0
Equipment	2,480	1,924	556	28.9	6,737	5,690	1,047	18.4
Other	999	959	40	4.2	3,039	2,886	153	5.3
Equipment and other	3,479	2,883	596	20.7	9,776	8,576	1,200	14.0
Total Operating Revenues	$ 21,835	$ 20,399	$ 1,436	7.0	$ 64,197	$ 59,898	$ 4,299	7.2
Connections ('000) [1]								
Retail connections					106,156	101,150	5,006	4.9
Retail postpaid connections					100,103	95,185	4,918	5.2
Net additions in period ('000) [2]								
Retail connections	1,525	1,061	464	43.7	3,501	2,819	682	24.2
Retail postpaid connections	1,516	927	589	63.5	3,496	2,545	951	37.4
Churn Rate								
Retail connections	1.29%	1.28%			1.30%	1.27%		
Retail postpaid connections	1.00%	0.97%			1.00%	0.97%		
Account Statistics								
Retail postpaid ARPA	$ 161.24	$ 155.74	$ 5.50	3.5	$ 160.21	$ 152.84	$ 7.37	4.8
Retail postpaid accounts ('000) [1]					35,435	34,972	463	1.3
Retail postpaid connections per account [1]					2.82	2.72	0.10	3.7

[1] As of end of period.
[2] Excluding acquisitions and adjustments.

Wireless' total operating revenues increased by $1.4 billion or 7.0%, and $4.3 billion or 7.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of growth in service revenue and equipment revenue.

Accounts and Connections

Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Accounts include More Everything plans and corporate accounts, as well as legacy single connection plans and family plans. A single account may receive monthly wireless services for a variety of connected devices. Retail connections represent our retail customer device connections. Churn is the rate at which service to connections is terminated.

Retail connections under an account may include: smartphones, basic phones, tablets and other Internet devices as well as Home Phone Connect and Home Fusion. We expect to continue to experience retail connection growth based on network service quality and the strength of our product offerings. Retail postpaid connection net additions increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in retail postpaid connection gross additions, partially offset by an increase in our retail postpaid connection churn rate. Higher retail postpaid connection gross additions were driven by gross additions of tablets as well as smartphones. During the three and nine months ended September 30, 2014, our retail postpaid connection net additions included approximately 1,074 million and 2.858 million tablets, respectively, as compared to 246 thousand and 824 thousand tablets, respectively, in the similar periods in 2013.

Retail Postpaid Connections per Account

Retail postpaid connections per account is calculated by dividing the total number of retail postpaid connections by the number of retail postpaid accounts as of the end of the period. Retail postpaid connections per account increased 3.7% as of September 30, 2014 compared to September 30, 2013, primarily due to the increased penetration of tablets.

Service Revenue

Service revenue increased by $0.8 billion or 4.8%, and $3.1 billion or 6.0%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of 4G LTE smartphones and tablets through our More Everything plans. The penetration of 4G LTE smartphones was driven by the activation of smartphones by new customers as well as existing customers migrating from basic phones and 3G smartphones to 4G LTE smartphones.

The increase in retail postpaid ARPA, which excludes recurring equipment installment billings related to Verizon Edge, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. As of September 30, 2014, we experienced a 3.7% increase in retail postpaid connections per account, compared to September 30, 2013, with smartphones representing 77% of our retail postpaid phone base as of September 30, 2014 compared to 67% as of September 30, 2013. The increased penetration in retail postpaid connections per account is primarily due to increases in Internet data devices, which represented 13.1% of our retail postpaid connection base as of September 30, 2014 compared to 10.2% as of September 30, 2013, primarily due to tablet activations. Additionally, during the nine months ended September 30, 2014, postpaid smartphone activations represented 91% of phones activated compared to 85% in the similar period in 2013.

Other service revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 due to growth in wholesale connections.

Equipment and Other Revenue

Equipment and other revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in equipment sales, driven by sales of equipment under both the traditional subsidy model and Verizon Edge.

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 7,043	$ 5,652	$ 1,391	24.6%	$ 19,641	$ 17,102	$ 2,539	14.8%
Selling, general and administrative expense	5,698	5,801	(103)	(1.8)	16,991	16,915	76	0.4
Depreciation and amortization expense	2,139	2,060	79	3.8	6,307	6,113	194	3.2
Total Operating Expenses	$ 14,880	$ 13,513	$ 1,367	10.1	$ 42,939	$ 40,130	$ 2,809	7.0

Cost of Services and Sales

Cost of services and sales increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in cost of equipment sales of $1.4 billion and $2.7 billion, respectively, as a result of an increase in the number of devices sold. The increase for the nine months ended September 30, 2014 was also due to an increase in cost of network services, partially offset by a decrease in cost of data services and decreased data roaming.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to a decline of $0.1 billion in sales commission expense largely driven by the adoption of Verizon Edge.

Selling, general and administrative expense increased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to higher advertising expense and gains recorded in the first quarter of 2013 related to wireless license exchange agreements, partially offset by lower salary expense and a decline of $0.2 billion in sales commission expense.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily driven by an increase in net depreciable assets.

Segment Operating Income and EBITDA

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Segment Operating Income	$ 6,955	$ 6,886	$ 69	1.0%	$ 21,258	$ 19,768	$ 1,490	7.5%
Add Depreciation and amortization expense	2,139	2,060	79	3.8	6,307	6,113	194	3.2
Segment EBITDA	$ 9,094	$ 8,946	$ 148	1.7	$ 27,565	$ 25,881	$ 1,684	6.5
Segment operating income margin	31.9%	33.8%			33.1%	33.0%		
Segment EBITDA service margin	49.5%	51.1%			50.7%	50.4%		

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-operational items excluded from our Wireless segment Operating income were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Gain on spectrum license transactions	$ –	$ 278	$ 707	$ 278

Wireline

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

On July 1, 2014, our Wireline segment divested a non-strategic business (see "Acquisitions and Divestitures"). Accordingly, the historical Wireline results for these operations have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results.

Operating Revenues and Selected Operating Statistics

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Consumer retail	$ 3,902	$ 3,735	$ 167	4.5%	$ 11,606	$ 11,020	$ 586	5.3%
Small business	613	639	(26)	(4.1)	1,858	1,912	(54)	(2.8)
Mass Markets	4,515	4,374	141	3.2	13,464	12,932	532	4.1
Strategic services	2,068	2,048	20	1.0	6,214	6,059	155	2.6
Core	1,316	1,491	(175)	(11.7)	4,099	4,590	(491)	(10.7)
Global Enterprise	3,384	3,539	(155)	(4.4)	10,313	10,649	(336)	(3.2)
Global Wholesale	1,552	1,631	(79)	(4.8)	4,713	4,992	(279)	(5.6)
Other	125	113	12	10.6	379	339	40	11.8
Total Operating Revenues	$ 9,576	$ 9,657	$ (81)	(0.8)	$ 28,869	$ 28,912	$ (43)	(0.1)
Connections ('000), (1)								
Total voice connections					20,089	21,457	(1,368)	(6.4)
Total Broadband connections					9,146	8,995	151	1.7
FiOS Internet subscribers					6,471	5,946	525	8.8
FiOS Video subscribers					5,533	5,170	363	7.0

(1) As of end of period

Wireline's revenues decreased 0.8% and 0.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of declines in Global Enterprise Core and Global Wholesale, partially offset by higher Consumer retail revenues driven by FiOS services. During the nine months ended September 30, 2014, the decrease in Wireline's revenues was also partially offset by increased Strategic services revenues within Global Enterprise.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers.

Mass Markets revenues increased $0.1 billion or 3.2%, and $0.5 billion or 4.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the expansion of FiOS services (Voice, Internet and Video), including our FiOS Quantum offerings, as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues. FiOS represented approximately 76% and 75%, respectively, of Consumer retail revenue during the three and nine months ended September 30, 2014, compared to approximately 71% and 70%, respectively, during the similar periods in 2013.

Since October 1, 2013 we grew our subscriber base by 0 5 million FiOS Internet subscribers and 0 4 million FiOS Video subscribers, while also consistently improving penetration rates within our FiOS service areas As of September 30, 2014, we achieved penetration rates of 40 6% and 35 5% for FiOS Internet and FiOS Video, respectively compared to penetration rates of 39 2% and 34 9% for FiOS Internet and FiOS Video, respectively, as of September 30, 2013

The increase in Mass Markets revenues was partially offset by the decline of local exchange revenues This decline was primarily due to a 5 9% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, and competing voice over IP, broadband and cable services Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections There was also a decline in Small business retail voice connections, primarily reflecting competition and a shift to both IP and high-speed circuits

Global Enterprise

Global Enterprise offers Strategic services including network products and solutions, advanced communications services, and other core communications services to medium and large business customers, multinational corporations and state and federal government customers

Global Enterprise revenues decreased $0 2 billion or 4 4%, and $0 3 billion or 3 2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline of $0 1 billion or 11 9%, and $0 4 billion or 11 5%, respectively, related to lower voice services and data networking revenues, which consist of traditional circuit-based services such as frame relay private line and legacy voice and data services These core services declined compared to the similar periods in 2013 as our customer base continued to migrate to next generation IP services Also contributing to the decrease was the contraction of market rates due to competition and a decline in Core customer premise equipment revenues The decrease during the nine months ended September 30 2014 compared to the similar period in 2013 was partially offset by an increase in Strategic services revenues of $0 2 billion, or 2 6%, primarily due to increases in our application services, such as our cloud and data center offerings

Global Wholesale

Global Wholesale provides communications services including data, voice and local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers

Global Wholesale revenues decreased $0 1 billion or 4 8% and $0.3 billion or 5 6%, respectively, during the three and nine months ended September 30 2014 compared to the similar periods in 2013 primarily due to a decline in traditional voice revenues and a 6 5% decline in domestic wholesale connections as of September 30 2014 compared to September 30, 2013 The traditional voice revenue declines are primarily due to a decrease in minutes of use and the effect of technology substitution Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition Partially offsetting the overall decrease in wholesale revenues were Ethernet migrations from core customers as well as continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities As a result of the customer migrations, at September 30, 2014, the number of core data circuits experienced a 13 7% decline compared to September 30, 2013

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 5,325	$ 5,342	$ (17)	(0 3)%	$ 16,006	$ 15,925	$ 81	0 5%
Selling, general and administrative expense	2,048	2,094	(46)	(2 2)	6,228	6,517	(289)	(4 4)
Depreciation and amortization expense	1,978	2,074	(96)	(4 6)	6,016	6,254	(238)	(3 8)
Total Operating Expenses	$ 9,351	$ 9,510	$ (159)	(1 7)	$ 28,250	$ 28,696	$ (446)	(1 6)

Cost of Services and Sales

During the three months ended September 30, 2014, Cost of services and sales decreased compared to the similar period in 2013 primarily due to a decrease in employee costs and a decline in access costs, driven by declines in overall wholesale long distance volumes which were partially offset by an increase in content costs of $0 1 billion associated with continued FiOS subscriber growth and programming license fee increases

During the nine months ended September 30 2014 Cost of services and sales increased compared to the similar period in 2013 primarily due to an increase in content costs of $0 3 billion associated with continued FiOS subscriber growth and programming license fee increases, partially offset by a decline in employee costs and access costs, driven by declines in overall wholesale long distance volumes

Selling, General and Administrative Expense

During the three months ended September 30, 2014, Selling general and administrative expense was consistent with the similar period in 2013 During the nine months ended September 30, 2014, Selling, general and administrative expense decreased compared to the similar period in 2013 primarily due to declines in employee costs, primarily as a result of lower headcount This decrease was partially offset by higher regulatory expenses

Depreciation and Amortization Expense

During the three and nine months ended September 30, 2014, Depreciation and amortization expense decreased compared to the similar periods in 2013 primarily due to a decrease in net depreciable assets

Segment Operating Income and EBITDA

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Segment Operating Income	$ 225	$ 147	$ 78	53 1%	$ 619	$ 216	$ 403	nm
Add Depreciation and amortization expense	1,978	2,074	(96)	(4 6)	6,016	6,254	(238)	(3 8)%
Segment EBITDA	$ 2,203	$ 2,221	$ (18)	(0 8)	$ 6,635	$ 6,470	$ 165	2 6
Segment operating income margin	2 3%	1 5%			2 1%	0 7%		
Segment EBITDA margin	23 0%	23 0%			23 0%	22 4%		

nm – not meaningful

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were primarily a result of the factors described in connection with operating revenues and operating expenses

Non-operational items excluded from our Wireline segment Operating income were as follows

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Impact of divested operations	$ -	$ 8	$ 12	$ 26

Gain on Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA Inc (T-Mobile USA) to exchange certain AWS and Personal Communication Services (PCS) licenses The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands As a result of these exchanges, we received $0 9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2 4 billion, and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses As a result, we received $1 6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0 7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014

During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T Inc (AT&T) in exchange for a payment of $1 9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0 2 billion As a result, we received $0 5 billion of AWS licenses at fair value and we recorded a pretax gain of approximately $0 3 billion in Selling, general and administrative expense on our condensed consolidated statements of income for the three and nine months ended September 30, 2013

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the gain on the spectrum license transactions described above

Wireless Transaction Costs

As a result of the third-party indebtedness incurred to finance the Wireless Transaction, we incurred interest expense of $0 4 billion during the nine months ended September 30, 2014 (see "Consolidated Financial Condition") and $0 1 billion during the nine months ended September 30 2013

These amounts represent only the interest expense incurred prior to the closing of the Wireless Transaction

Impact of Divested Operations

On July 1, 2014, we sold a non-strategic Wireline business, which provides communications solutions to a variety of government agencies

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the historical financial results of the divested operations described above

Gain on Sale of Omantel Interest

As a result of the sale of the Omantel Interest on February 21 2014, which was part of the consideration for the Wireless Transaction we recorded a gain of $1 9 billion in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income for the nine months ended September 30, 2014

Early Debt Redemption Costs

During March 2014, we recorded net debt redemption costs of $0 9 billion in connection with the early redemption of $1 25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018, and the purchase of the following notes pursuant to a tender offer (the Tender Offer) $0 7 billion of the then outstanding $1 5 billion aggregate principal amount of Verizon 6 10% Notes due 2018, $0 6 billion of the then outstanding $1 5 billion aggregate principal amount of Verizon 5 50% Notes due 2018, $0 6 billion of the then outstanding $1 3 billion aggregate principal amount of Verizon 8 75%

Notes due 2018, $0 7 billion of the then outstanding $1 25 billion aggregate principal amount of Verizon 5 55% Notes due 2016, $0 4 billion of the then outstanding $0 75 billion aggregate principal amount of Verizon 5 50% Notes due 2017, $0 6 billion of the then outstanding $1 0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018, $0 2 billion of the then outstanding $0 3 billion aggregate principal amount of Alltel Corporation 7 00% Debentures due 2016 and $0 3 billion of the then outstanding $0 6 billion aggregate principal amount of GTE Corporation 6 84% Debentures due 2018

Pension Remeasurement

During the three and six months ended June 30, 2013, we recorded net pre-tax pension remeasurement credits of approximately $0.2 billion, in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur The pension remeasurement credits relate to settlements for employees who received lump-sum distributions The credits were primarily driven by an approximately 75 basis point increase in our discount rate assumption used to determine the current year liabilities of one of our pension plans The change in discount rate resulted in a gain of $0 3 billion partially offset by a loss resulting from the difference between our expected return on assets assumption of 7 5% at December 31, 2012 and our annualized actual return on assets of 7 2% at June 30 2013, as well as other losses ($0 1 billion) Our weighted-average discount rate assumption increased from 4 2% at December 31 2012 to 5 0% at June 30, 2013

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the pension remeasurement described above

(dollars in millions)	Nine Months Ended September 30, 2014	2013	Change
Cash Flows Provided By (Used In)			
Operating activities	$ 23,157	$ 28,387	$ (5,230)
Investing activities	(10,430)	(10,023)	(407)
Financing activities	(59,037)	35,253	(94,290)
Increase (Decrease) In Cash and Cash Equivalents	$ (46,310)	$ 53,617	$ (99,927)

We use the net cash generated from our operations to fund network expansion and modernization, repay external financing, pay dividends and invest in new businesses Our sources of funds, primarily from operations and, to the extent necessary, from external financing arrangements, are sufficient to meet ongoing operating and investing requirements The cash portion of the purchase price for the Wireless Transaction was primarily funded by the incurrence of third-party indebtedness (see "Acquisitions and Divestitures") We expect that our capital spending requirements will continue to be financed primarily through internally generated funds Debt or equity financing may be needed to fund additional investments or development activities or to maintain an appropriate capital structure to ensure our financial flexibility Our cash and cash equivalents are primarily held domestically in diversified accounts and are invested to maintain principal and liquidity Accordingly, we do not have significant exposure to foreign currency fluctuations See "Market Risk" for additional information regarding our foreign currency risk management strategies

Our available external financing arrangements include credit available under credit facilities and other bank lines of credit, vendor financing arrangements issuances of registered debt or equity securities and privately-placed capital market securities We may also issue short-term debt through an active commercial paper program and have an $8 billion credit facility to support such commercial paper issuances

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations primarily from our Wireless segment Net cash provided by operating activities during the nine months ended September 30, 2014 decreased by $5 2 billion compared to the similar period in 2013 primarily due to a $3 2 billion increase in income tax payments due to the incremental income included in Verizon's income since the closing of the Wireless Transaction and the impact of bonus depreciation recorded in 2013 Also contributing to the decrease was a $2 5 billion increase in interest payments primarily due to the incremental debt needed to fund the Wireless Transaction as well as a $1 5 billion increase in pension contributions The decline was partially offset by an increase in earnings at our Wireless segment

On February 21, 2014, we completed the acquisition of Vodafone's indirect 45% interest in Verizon Wireless which among other benefits discussed herein, also provides us full access to the cash flows of Verizon Wireless Having full access to all the cash flows from our wireless business gives us the ability to continue to invest in our networks and spectrum, meet evolving customer requirements for products and services and take advantage of new growth opportunities across our lines of business

We do not expect to make any material employer contributions to our qualified pension plans in the fourth quarter of 2014

Cash Flows Used In Investing Activities

Capital Expenditures

Capital expenditures continue to be our primary use of capital resources as they facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency and productivity of our networks

Capital expenditures, including capitalized software, were as follows

(dollars in millions)	Nine Months Ended September 30, 2014	2013
Wireless	$ 7 808	$ 6,720
Wireline	4 194	4,467
Other	622	620
	$ 12,624	$ 11,807
Total as a percentage of revenue	13 4%	13.2%

The increase in capital expenditures during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily due to investments to increase the capacity of our 4G LTE network partially offset by lower capital expenditures at Wireline as a result of decreased legacy spending requirements

Acquisitions

In February 2014, Verizon acquired a business dedicated to the development of IP television for cash consideration that was not significant

Dispositions

During the nine months ended September 30, 2014, we received proceeds of $2 4 billion related to spectrum license transactions and $0 1 billion related to the disposition of a non-strategic business See "Acquisitions and Divestitures" for additional information

Cash Flows Provided By (Used In) Financing Activities

We seek to maintain a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions During the nine months ended September 30, 2014 and 2013, net cash provided by (used in) financing activities was $(59 0) billion and $35 3 billion, respectively The change in cash flows used in financing activities during the nine months ended September 30, 2014 as compared to the similar period in 2013 was primarily driven by the use of $58 89 billion as part of the consideration for the Wireless Transaction See "Acquisitions and Divestitures" for additional information

During February 2014, we issued €1 75 billion aggregate principal amount of 2 375% Notes due 2022, €1 25 billion aggregate principal amount of 3 25% Notes due 2026 and £0 85 billion aggregate principal amount of 4 75% Notes due 2034 The issuance of these Notes resulted in cash proceeds of approximately $5 4 billion, net of discounts and issuance costs The net proceeds were used, in part, to finance the Wireless Transaction Net proceeds not used to finance the Wireless Transaction were used for general corporate purposes Also, during February 2014, we issued $0 5 billion aggregate principal amount of 5 90% Notes due 2054 resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes

On March 10, 2014 we announced the commencement of the Tender Offer to purchase for cash any and all of the series of notes listed in the following table

(dollars in millions, except for Purchase Price)	Interest Rate	Maturity	Principal Amount Outstanding	Purchase Price [1]	Principal Amount Purchased
Verizon Communications	6 10%	2018	$ 1,500	$ 1 170 07	$ 748
	5 50%	2018	1,500	1 146 91	763
	8 75%	2018	1,300	1,288 35	564
	5 55%	2016	1,250	1,093 62	652
	5 50%	2017	750	1 133.22	353
Cellco Partnership and Verizon Wireless Capital LLC	8 50%	2018	1,000	1,279 63	619
Alltel Corporation	7 00%	2016	300	1,125 26	157
GTE Corporation	6 84%	2018	600	1,196 85	266
					$ 4,122

[1] Per $1,000 principal amount of notes

The Tender Offer for each series of notes was subject to a financing condition, which was either satisfied or waived with respect to all series The Tender Offer expired on March 17 2014 and settled on March 19, 2014 In addition to the purchase price, any accrued and unpaid interest on the purchased notes was paid to the date of purchase During March 2014, we recorded early debt redemption costs in connection with the Tender Offer (see "Early Debt Redemption")

During March 2014, we issued $4 5 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $4 5 billion, net of discounts and issuance costs The issuances consisted of the following $0 5 billion aggregate principal amount Floating Rate Notes due 2019 that bear interest at a rate equal to three-month LIBOR plus 0 77% which rate will be reset quarterly, $0.5 billion aggregate principal amount of 2 55% Notes due 2019, $1 0 billion aggregate principal amount of 3 45% Notes due 2021 $1.25 billion aggregate principal amount of 4 15% Notes due 2024 and $1 25 billion aggregate principal amount of 5 05% Notes due 2034 During March 2014, the net proceeds were used to purchase notes in the Tender Offer described above

During March 2014, Verizon Wireless redeemed $1 25 billion aggregate principal amount of the Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018 at 127 135% of the principal amount of such notes, plus accrued and unpaid interest (see "Early Debt Redemption") Also, during March 2014, $1 0 billion of LIBOR plus 0 61% Verizon Communications Notes and $1 5 billion of 1 95% Verizon Communications Notes matured and were repaid

During September 2014, we issued $0 9 billion aggregate principal amount of 4 8% Notes due 2044 The issuance of these Notes resulted in cash proceeds of approximately $0 9 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes Also, during September 2014, we redeemed $0 8 billion aggregate principal amount of Verizon 1.25% Notes due November 2014 and recorded an immaterial amount of early debt redemption costs

On October 22, 2014, we sold $6 5 billion aggregate principal amount of fixed rate notes, which are expected to settle on October 29, 2014 We expect to receive cash proceeds of approximately $6 425 billion, net of discounts and issuance costs and after reimbursement of certain expenses The sale consisted of the following $1 5 billion aggregate principal amount of 3 00% Notes due 2021, $2 5 billion aggregate principal amount of 3 50% Notes due 2024 and $2 5 billion aggregate principal amount of 4 40% Notes due 2034. The net proceeds from the offering will be used to redeem (i) in whole the following series of outstanding notes which have been called for early redemption in November 2014. Verizon 4 90% Notes due 2015, Verizon 5 55% Notes due 2016, Verizon 3 00% Notes due 2016, Verizon 5 50% Notes due 2017, Verizon 8 75% Notes due 2018, Alltel Corporation 7 00% Debentures due 2016 and Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018 and (ii) $1 0 billion aggregate principal amount of Verizon 2 50% Notes due 2016 Any proceeds not used for the redemption of these notes will be used for general corporate purposes

Verizon may continue to acquire debt securities issued by Verizon and its affiliates in the future through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as Verizon may from time to time determine for cash or other consideration.

May Exchange Offer

On May 29, 2014, we announced the commencement of a private exchange offer (the May Exchange Offer) to exchange up to all Cellco Partnership and Verizon Wireless Capital LLC's £0.6 billion outstanding aggregate principal amount of 8.875% Notes due 2018 (the 2018 Old Notes) for Verizon's new sterling-denominated Notes due 2024 (the New Notes) and an amount of cash. This exchange offer has been accounted for as a modification of debt. In connection with the May Exchange Offer, which expired on June 25, 2014, we issued £0.7 billion aggregate principal of New Notes and made a cash payment of £22 million in exchange for £0.6 billion aggregate principal amount of tendered 2018 Old Notes. The New Notes bear interest at a rate of 4.073% per annum.

Concurrent with the issuance of the New Notes, we entered into cross currency swaps to fix our future interest and principal payments in U.S. dollars (see "Market Risk").

July Exchange Offers

On July 23, 2014, we announced the commencement of eleven separate private offers to exchange (the July Exchange Offers) specified series of outstanding Notes issued by Verizon and Alltel Corporation (collectively, the Old Notes) for new Notes to be issued by Verizon. The July Exchange Offers have been accounted for as a modification of debt. On August 21, 2014, Verizon issued $3.3 billion aggregate principal amount of 2.625% Notes due 2020 (the 2020 New Notes), $4.5 billion aggregate principal amount of 4.862% Notes due 2046 (the 2046 New Notes) and $5.5 billion aggregate principal amount of 5.012% Notes due 2054 (the 2054 New Notes) in satisfaction of the exchange offer consideration on tendered Old Notes (not including accrued and unpaid interest on the Old Notes). The following tables list the series of Old Notes included in the July Exchange Offers and the principal amount of each such series accepted by Verizon for exchange.

The table below lists the series of Old Notes included in the July Exchange Offers for the 2020 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	3.65%	2018	$ 4,750	$ 2,052
	2.50%	2016	4,250	1,068
				$ 3,120

The table below lists the series of Old Notes included in the July Exchange Offers for the 2046 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.40%	2033	$ 6,000	$ 1,645
	7.75%	2030	2,000	794
	7.35%	2039	1,000	520
	7.75%	2032	400	149
Alltel Corporation	7.875%	2032	700	248
	6.80%	2029	300	65
				$ 3,421

The table below lists the series of Old Notes included in the July Exchange Offers for the 2054 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.55%	2043	$ 15,000	$ 4,330
	6.40%	2038	1,750	–
	6.90%	2038	1,250	–
				$ 4,330

Term Loan Agreement

During February 2014, we drew $6.6 billion pursuant to a term loan agreement with a group of major financial institutions to finance, in part, the Wireless Transaction. $3.3 billion of the loans under the term loan agreement had a maturity of three years (the 3-Year Loans) and $3.3 billion of the loans under the term loan agreement had a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant; affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50:1.00 until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

During June 2014, we issued $3.3 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $3.3 billion, net of discounts and issuance costs. The issuances consisted of the following: $1.3 billion aggregate principal amount of Floating Rate Notes due 2017 that will bear interest at a rate equal to three-month LIBOR plus 0.40% which will be reset quarterly and $2.0 billion aggregate principal amount of 1.35% Notes due 2017. We used the net proceeds from the offering of these notes to repay the 3-Year Loans on June 12, 2014.

During July 2014, we amended the term loan agreement, settled the outstanding $3.3 billion of 5-Year Loans and borrowed $3.3 billion of new loans. The new loans mature in July 2019, bear interest at a lower interest rate and require lower amortization payments in 2017 and 2018. In connection with the transaction, which primarily settled on a net basis, we recorded approximately $0.5 billion of proceeds from long-term borrowings and of repayments of long-term borrowings, respectively.

Other Credit Facilities

On July 31, 2014, we amended our $6.2 billion credit facility to increase the availability to $8.0 billion and extend the maturity to July 31, 2018. At the same time, we terminated our $2.0 billion 364-day revolving credit agreement. As of September 30, 2014, the unused borrowing capacity under this credit facility was approximately $7.9 billion.

Early Debt Redemption

During March 2014, we recorded net debt redemption costs of $0.9 billion in connection with the early redemption of $1.25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and the purchase of the following notes pursuant to the Tender Offer: $0.7 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 6.10% Notes due 2018, $0.8 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 5.50% Notes due 2018, $0.6 billion of the then outstanding $1.3 billion aggregate principal amount of Verizon 8.75% Notes due 2018, $0.7 billion of the then outstanding $1.25 billion aggregate principal amount of Verizon 5.55% Notes due 2016, $0.4 billion of the then outstanding $0.75 billion aggregate principal amount of Verizon 5.50% Notes due 2017, $0.6 billion of the then outstanding $1.0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, $0.2 billion of the then outstanding $0.3 billion aggregate principal amount of Alltel Corporation 7.00% Debentures due 2016 and $0.3 billion of the then outstanding $0.6 billion aggregate principal amount of GTE Corporation 6.84% Debentures due 2018.

Other, net

The change in Other, net financing activities during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily driven by a decline in tax distributions to Vodafone pursuant to the Cellco Partnership agreement. As a result of the completion of the Wireless Transaction, the final tax distribution was made in the second quarter of 2014. Partially offsetting the decline in tax distributions to Vodafone were net early debt redemption costs of $0.9 billion.

Dividends

As in prior periods, dividend payments were a significant use of capital resources. During the third quarter of 2014, Verizon's Board of Directors increased our quarterly dividend payments by 3.8% to $.55 per share from $.53 per share in the same period in 2013. This is the eighth consecutive year that the Board has approved a quarterly dividend increase.

During the nine months ended September 30, 2014, we paid $5.7 billion in cash dividends. During the nine months ended September 30, 2013, we paid $4.4 billion in cash dividends. The increase in cash dividends is primarily due to the issuance of approximately 1.27 billion shares of Verizon common stock as part of the consideration paid to complete the Wireless Transaction.

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 8.1 million common shares issued from Treasury stock during the nine months ended September 30, 2014, which had an aggregate value of $0.4 billion.

Special Distribution

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7.0 billion. As a result, Vodafone received a cash payment of $3.15 billion and the remainder of the distribution was received by Verizon.

As a result of the completion of the Wireless Transaction on February 21, 2014, we now have full ownership of Verizon Wireless and will no longer make special distributions to Vodafone.

Common Stock

As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares of Verizon common stock.

On March 7, 2014, the Verizon Board of Directors approved a share buyback program, which authorizes the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2017. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs.

Verizon did not repurchase any shares of Verizon common stock through its authorized share buyback program during the nine months ended September 30, 2014.

Covenants

Our credit agreements contain covenants that are typical for large, investment grade companies. These covenants include requirements to pay interest and principal in a timely fashion, pay taxes, maintain insurance with responsible and reputable insurance companies, preserve our corporate existence, keep appropriate books and records of financial transactions, maintain our properties, provide financial and other reports to our lenders, limit pledging and disposition of assets and mergers and consolidations, and other similar covenants. Additionally, the term loan credit agreement requires us to maintain a leverage ratio (as such term is defined in those agreements) not in excess of 3.50:1.00 until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

We and our consolidated subsidiaries are in compliance with all of our debt covenants.

Decrease in Cash and Cash Equivalents

Our Cash and cash equivalents at September 30, 2014 totaled $7.2 billion, a $46.3 billion decrease compared to Cash and cash equivalents at December 31, 2013 primarily as a result of the completion of the Wireless Transaction.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that management believes is useful to investors and other users of Verizon's financial information in evaluating cash available to pay debt and dividends. Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities. The following table reconciles Net cash provided by operating activities to Free cash flow.

(dollars in millions)	Nine Months Ended September 30, 2014	2013	Change
Net cash provided by operating activities	$ 23,157	$ 28,387	$ (5,230)
Less: Capital expenditures (including capitalized software)	12,624	11,807	817
Free cash flow	$ 10,533	$ 16,580	$ (6,047)

The change in Free cash flow during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily due to a $3.2 billion increase in income tax payments, a $1.5 billion increase in interest payments, a $1.5 billion increase in pension contributions and higher capital expenditures. Subsequent to the completion of the Wireless Transaction on February 21, 2014, we now have full access to all of the cash flows generated by our wireless business.

We are exposed to various types of market risk in the normal course of business, including the effects of interest rate changes, foreign currency exchange rate fluctuations, changes in investment, equity and commodity prices and changes in corporate tax rates We employ risk management strategies which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks We do not hold derivatives for trading purposes

It is our general policy to enter into interest rate foreign currency and other derivative transactions only to the extent necessary to achieve our desired objectives in limiting our exposure to various market risks Our objectives include maintaining a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions We do not hedge our market risk exposure in a manner that would completely eliminate the effect of changes in interest rates and foreign exchange rates on our earnings We do not expect that our net income, liquidity and cash flows will be materially affected by these risk management strategies

Interest Rate Risk

We are exposed to changes in interest rates, primarily on our short-term debt and the portion of long-term debt that carries floating interest rates As of September 30, 2014, approximately 85% of the aggregate principal amount of our total debt portfolio consisted of fixed rate indebtedness, including the effect of interest rate swap agreements designated as hedges The impact of a 100 basis point change in interest rates affecting our floating rate debt would result in a change in annual interest expense, including our interest rate swap agreements that are designated as hedges, of approximately $0 2 billion The interest rates on substantially all of our existing long-term debt obligations are unaffected by changes to our credit ratings

Interest Rate Swaps

We enter into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to Interest expense These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio We record the interest rate swaps at fair value on our condensed consolidated balance sheets as assets and liabilities The fair value of these contracts was not material at September 30 2014 and December 31, 2013, respectively As of September 30, 2014, the total notional amount of the interest rate swaps was $1 8 billion The ineffective portion of these interest rate swaps was not material for the three and nine months ended September 30 2014, respectively

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a total notional value of $2 0 billion We designated these contracts as cash flow hedges In March 2014, we settled these forward interest rate swaps and the pre-tax gain was not material During the first and second quarters of 2014 we entered into forward interest rate swaps with total notional values of $0 9 billion and $3 1 billion, respectively During the third quarter of 2014, we entered into forward interest rate swaps with a total notional value of $0 8 billion We designated these contracts as cash flow hedges

In October 2014, we settled $1 25 billion of forward interest rate swaps

Foreign Currency Translation

The functional currency for our foreign operations is primarily the local currency The translation of income statement and balance sheet amounts of our foreign operations into U S dollars is recorded as cumulative translation adjustments, which are included in Accumulated other comprehensive income in our condensed consolidated balance sheets Gains and losses on foreign currency transactions are recorded in the condensed consolidated statements of income in Other income and (expense), net At September 30 2014, our primary translation exposure was to the British Pound Sterling, the Euro, the Australian Dollar, the Indian Rupee and the Japanese Yen

Cross Currency Swaps

During the first quarter of 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5 4 billion of Euro and British Pound Sterling denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the impact of foreign currency transaction gains or losses

During the second quarter of 2014, in connection with the May Exchange Offer, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 2 billion of British Pound Sterling denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the impact of foreign currency transaction gains or losses

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the effect of foreign currency transaction gains or losses In June 2014, we settled $0 8 billion of these cross currency swaps as part of the Exchange Offer and the gains with respect to these swaps were not material

A portion of the gains and losses recognized in Other comprehensive income (loss) was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was $0 1 billion at September 30, 2014 and was not material at December 31, 2013 During the three and nine months ended September 30, 2014 a pre-tax loss of $0 1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss) During the three and nine months ended September 30, 2013, a pre-tax gain of $0 1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss)

Wireless

Wireless Transaction

On September 2 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone s indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc , a subsidiary of Seller (VF1 Inc), which indirectly through certain subsidiaries (together with VF1 Inc the Purchased Entities) owned the Vodafone Interest In consideration for the Transferred Shares, upon completion of the Wireless Transaction, Verizon (i) paid approximately $58 89 billion in cash, (ii) issued approximately 1 27 billion shares of Verizon's common stock, par value $0 10 per share (the Stock Consideration), which was valued at approximately $61 3 billion at the closing of the Wireless Transaction, (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5 0 billion (the Verizon Notes) (iv) sold Verizon's indirectly owned 23 1% interest in Vodafone Omnitel N V (Omnitel, and such interest, the Omnitel Interest), valued at $3 5 billion and (v) provided other consideration, which included the assumption of preferred stock valued at approximately $1 7 billion The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness (see "Consolidated Financial Condition")

In accordance with the accounting standard on consolidation, a change in a parent s ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted As a result, we accounted for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in the Partnership Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted has been recognized in equity attributable to Verizon

Omnitel Transaction

On February 21 2014, Verizon and Vodafone also consummated the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement As a result, during the nine months ended September 30, 2014, we recognized a pre-tax gain of $1 9 billion on the disposal of the Omnitel interest in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income

Verizon Notes

The Verizon Notes were issued to Vodafone pursuant to Verizon's existing indenture The Verizon Notes were issued in two separate series, with $2 5 billion due February 21, 2022 (the eight-year Verizon Notes) and $2 5 billion due February 21, 2025

(the eleven-year Verizon Notes) The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 The eight-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1 222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372% The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series Beginning two years after the closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017 Any Verizon Notes held by third parties will not be redeemable by Verizon prior to their maturity dates Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable

Other Consideration

Included in the other consideration provided to Vodafone is the indirect assumption of long-term obligations with respect to 5 143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities Both the Class D shares (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends Dividends accrue at 5.143% per annum and will be treated as interest expense Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction

Deferred Tax Liabilities

Certain deferred taxes directly attributable to the Wireless Transaction have been calculated based on an analysis of taxes attributable to the difference between the tax basis of the investment in the noncontrolling interest that is assumed compared to Verizon's book basis As a result, Verizon recorded a deferred tax liability of approximately $13 5 billion

Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA to exchange certain AWS and PCS licenses The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands As a result of these exchanges, we received $0 9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses Under one agreement we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2 4 billion, and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses As a result, we received $1 6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0 7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014

During September 2014, we entered into a license exchange agreement with affiliates of AT&T to exchange certain AWS and PCS spectrum licenses This non-cash exchange, which is subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions is expected to close in the first quarter of 2015 Upon completion of the transaction, we expect to record an immaterial gain

During the three and nine months ended September 30, 2014, we acquired various other wireless licenses and markets for cash consideration that was not significant

Wireline

On July 1, 2014, we sold a non-strategic Wireline business, which provides communications solutions to a variety of government agencies, for net cash proceeds of $0 1 billion and recorded an immaterial gain

Other

During February 2014, Verizon acquired a business dedicated to the development of Internet Protocol (IP) television for cash

consideration that was not significant

On October 7, 2014, Redbox Instant by Verizon, a venture between Verizon and Redbox Automated Retail LLC (Redbox), a wholly-owned subsidiary of Outerwall Inc ceased providing service to its customers In accordance with an agreement between the parties, Redbox withdrew from the venture on October 20, 2014 and Verizon will wind down and dissolve the venture during the next few months As a result of the termination of the venture, we expect to record a pre-tax loss of approximately $0 1 billion in the fourth quarter of 2014

Regulatory and Competitive Trends

There have been no material changes to Regulatory and Competitive Trends as previously disclosed in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2013

Environmental Matters

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Recent Accounting Standards

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures of disposals of components of an entity was issued This standard update changes the criteria for reporting discontinued operations and enhances convergence of the reporting requirements for discontinued operations As a result of this standard update, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results This standard update is effective as of the first quarter of 2015, however, earlier adoption is permitted

In May 2014 the accounting standard update related to the recognition of revenue from contracts with customers was issued This standard update clarifies the principles for recognizing revenue and develops a common revenue standard for U S generally accepted accounting principles (GAAP) and International Financial Reporting Standards The standard update intends to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets and provide more useful information to users of financial statements through improved disclosure requirements Upon adoption of this standard update, we expect that the allocation and timing of revenue recognition will be impacted We expect to adopt this standard update during the first quarter of 2017

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients Under the other method, the guidance is applied to contracts not completed as of the date of initial application, recognizing the cumulative effect of the change as an adjustment to the beginning balance of retained earnings, and also requires additional disclosures comparing the results to the previous guidance We are currently evaluating these adoption methods and the impact that this standard update will have on our condensed consolidated financial statements

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period was issued The standard update resolves the diverse accounting treatment for these share-based payments by requiring that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved We will adopt this standard update during the first quarter of 2016 The adoption of this standard update is not expected to have a

significant impact on our condensed consolidated financial statements

In this report we have made forward-looking statements These statements are based on our estimates and assumptions and are subject to risks and uncertainties Forward-looking statements include the information concerning our possible or assumed future results of operations Forward-looking statements also include those preceded or followed by the words "anticipates" "believes," "estimates" "hopes" or similar expressions For those statements we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing,
- significantly increased levels of indebtedness as a result of the Wireless Transaction,
- changes in tax laws or treaties, or in their interpretation
- adverse conditions in the U S and international economies
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact,
- material changes in technology or technology substitution
- disruption of our key suppliers' provisioning of products or services,
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks,
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance,
- the effects of competition in the markets in which we operate,
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings,
- significant increases in benefit plan costs or lower investment returns on plan assets, and
- the inability to implement our business strategies

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information relating to market risk is included in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Market Risk."

Item 4. Controls and Procedures

Our chief executive officer and chief financial officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this quarterly report. Based on this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2014.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes intended to ensure an effective internal control environment. We are continuing an initiative to implement new financial systems that will continue in phases over the next several quarters. We are also continuing an initiative to standardize and centralize transaction-processing activities within our accounting processes, which we expect to continue over the next several years. These initiatives will incorporate certain changes in personnel as well. In connection with these initiatives and the resulting changes in our financial systems and transaction-processing activities, the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective.

Except as noted above, there were no changes in the Company's internal control over financial reporting during the third quarter of 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On September 15, 2010, the U.S. Bank National Association (U.S. Bank), as Litigation Trustee for the Idearc Inc. Litigation Trust (Litigation Trust), filed suit in U.S. District Court for the Northern District of Texas against Verizon and certain subsidiaries challenging the November 2006 spin-off of Verizon's former directories business then known as Idearc Inc. U.S. Bank, which represents a group of creditors who filed claims in Idearc's bankruptcy, alleged that Idearc was insolvent at the time of the spin-off or became insolvent shortly thereafter. The Litigation Trust sought over $9 billion in damages. In its June 18, 2013 decision, the District Court entered judgment for Verizon and its subsidiaries and ruled that U.S. Bank would "take nothing" on its claims. U.S. Bank appealed the decision to the U.S. Court of Appeals for the Fifth Circuit, which upheld the District Court's decision on July 30, 2014. The Litigation Trust has until December 15, 2014, to seek further review of the decision by the United States Supreme Court.

On October 25, 2011, a Litigation Trust created during the bankruptcy proceedings of FairPoint Communications, Inc. filed a complaint in state court in Mecklenburg County, North Carolina, against Verizon and other related entities. The complaint claimed that FairPoint's acquisition of Verizon's landline operations in Maine, New Hampshire and Vermont in March 2008 was structured and carried out in a way that left FairPoint insolvent or led to its insolvency shortly thereafter and ultimately to its October 2009 bankruptcy. The Litigation Trust sought approximately $2 billion in damages. Verizon removed the case to the United States District Court for the Western District of North Carolina in November 2011. At the close of discovery in February 2013, Verizon filed a summary judgment motion to dismiss the two counts in the complaint—constructive fraudulent transfer and actual fraudulent transfer. On June 12, 2013, the District Court granted Verizon's summary judgment motion in part, dismissing the Litigation Trust's constructive fraudulent transfer claim. A bench trial limited to the actual fraudulent transfer claim concluded December 13, 2013. On June 18, 2014, Verizon and the Litigation Trust entered into a settlement agreement, the terms of which are not material to our business. The settlement agreement was approved by the Bankruptcy Court on September 18, 2014 and the matter was dismissed by the District Court on October 16, 2014.

In October 2013, the California Attorney General's Office notified Verizon California Inc. and other Verizon companies of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation and continue to review our operations relating to the management of hazardous waste. While penalties relating to the alleged violations could exceed $100,000, we do not expect that any penalties ultimately incurred will be material.

Item 1A. Risk Factors

There have been no material changes to our risk factors as previously disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On March 7, 2014, the Verizon Board of Directors approved a share buyback program, which authorizes the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2017. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs.

Verizon did not repurchase any shares of Verizon common stock through its authorized share buyback program during the three months ended September 30, 2014. At September 30, 2014, the maximum number of shares that could be purchased by or on behalf of Verizon under our share buyback program was 100 million.

Item 6. Exhibits

Exhibit Number	Description
12	Computation of Ratio of Earnings to Fixed Charges
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VERIZON COMMUNICATIONS INC.

Date: October 28, 2014

By: /s/ Anthony T. Skiadas
Anthony T. Skiadas
Senior Vice President and Controller
(Principal Accounting Officer)

Exhibit Index

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EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
Verizon Communications Inc. and Subsidiaries

(dollars in millions)	Nine Months Ended September 30, 2014
Earnings:	
Income before provision for income taxes	$ 19,156
Equity in earnings of unconsolidated businesses	(1,811)
Dividends from unconsolidated businesses	26
Interest expense (1)	3,633
Portion of rent expense representing interest	674
Amortization of capitalized interest	143
Earnings, as adjusted	$ 21,821
Fixed Charges:	
Interest expense (1)	$ 3,633
Portion of rent expense representing interest	674
Capitalized interest	324
Fixed charges	$ 4,631
Ratio of earnings to fixed charges	4.71

(1) We classify interest expense recognized on uncertain tax positions as income tax expense and therefore such interest expense is not included in the Ratio of Earnings to Fixed Charges

EXHIBIT 31.1

I, Lowell C. McAdam, certify that

1 I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Francis J. Shammo, certify that

1 I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

EXHIBIT 32 1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell C McAdam, Chairman and Chief Executive Officer of Verizon Communications Inc (the Company), certify that

(1) the report of the Company on Form 10-Q for the quarterly period ending September 30, 2014 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report

Date October 28, 2014

/s/ Lowell C McAdam
Lowell C McAdam
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc and will be retained by Verizon Communications Inc and furnished to the Securities and Exchange Commission or its staff upon request

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Francis J Shammo, Executive Vice President and Chief Financial Officer of Verizon Communications Inc (the Company), certify that

(1) the report of the Company on Form 10-Q for the quarterly period ending September 30, 2014 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report

Date October 28, 2014

/s/ Francis J Shammo
Francis J Shammo
Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc and will be retained by Verizon Communications Inc and furnished to the Securities and Exchange Commission or its staff upon request

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D C 20549
FORM 10-K

(Mark one)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	23-2259884
(State or other jurisdiction of incorporation or organization)	(I R S Employer Identification No)
140 West Street New York, New York	10007
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 395-1000

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Common Stock, $ 10 par value	New York Stock Exchange The NASDAQ Global Select Market London Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ✓ No ___

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ___ No ✓

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes ✓ No ___

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232 405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes ✓ No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ✓

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one)

Large accelerated filer ✓	Accelerated filer ___	Non-accelerated filer ___	Smaller reporting company ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes ___ No ✓

At June 28, 2013, the aggregate market value of the registrant's voting stock held by non-affiliates was approximately $144,030,746,074.

At February 24, 2014, 4,141,140,749 shares of the registrant's common stock were outstanding, after deducting 101,233,491 shares held in treasury.

Documents Incorporated By Reference:

Portions of the registrant's Annual Report to Shareowners for the year ended December 31, 2013 (Parts I and II)

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Certifications

Part 1

General

Verizon Communications Inc. (Verizon, or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. Formerly known as Bell Atlantic Corporation, we were incorporated in 1983 under the laws of the State of Delaware. We began doing business as Verizon on June 30, 2000 following our merger with GTE Corporation. We have a highly diverse workforce of approximately 176,800 employees.

Our principal executive offices are located at 140 West Street, New York, New York 10007 (telephone number 212-395-1000).

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business segments and organize by products and services.

Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States.
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

The following portions of the 2013 Verizon Annual Report to Shareowners are incorporated into this report:

- "Overview" on pages 10 through 12, and,
- "Segment Results of Operations" on pages 17 through 22 and in Note 13 to the consolidated financial statements on pages 65 through 67.

Wireless

Background

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone Group Plc (Vodafone). As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. Verizon Wireless provides wireless communication services across one of the most extensive wireless networks in the United States and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and third-generation (3G) Evolution - Data Optimized (EV-DO) networks of any U.S. wireless service provider.

On September 2, 2013, Verizon entered into a stock purchase agreement with Vodafone and Vodafone 4 Limited, pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless for aggregate consideration of approximately $130 billion (the Wireless Transaction). We completed the transaction on February 21, 2014 and acquired 100% ownership of Verizon Wireless. The consideration paid was primarily comprised of cash and Verizon common stock.

Verizon Wireless is the largest wireless service provider in the United States as measured by retail connections and revenue. At December 31, 2013, Verizon Wireless had 102.8 million retail connections and 2013 revenues of approximately $81.0 billion, representing approximately 67% of Verizon's aggregate revenues.

We have substantially completed the deployment of our 4G LTE network. Our 4G LTE network is available to 97% of the U.S. population in more than 500 markets covering approximately 305 million people, including those in areas served by our LTE in Rural America partners. Under this program, we are working with wireless carriers in rural areas to collaboratively build and operate a 4G LTE network using each carrier's network assets and our core 4G LTE equipment and 700 MHz C-Block spectrum. Our 4G LTE network provides higher data throughput performance for data services at a lower cost compared to that provided via 3G networks.

Wireless Service and Product Offerings

Our wireless services are available to our customers receiving service under the Verizon Wireless brand. In addition, customers can obtain wireless products and services that operate on our network from resellers that purchase network access from us on a wholesale basis.

Wireless Services

We offer our wireless services on a postpaid and prepaid basis. Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Our postpaid account plans include More Everything ℠ plans, single connection plans, plans tailored to the needs of our corporate customers, as well as legacy single connection plans and family plans that we no longer offer to new accounts. A single account may receive monthly wireless services for a variety of connected devices. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance (access service revenues), and usage beyond the allowance is billed in arrears (usage service revenues). Approximately 94% of our retail connections received our wireless services on a postpaid basis as of December 31, 2013. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

Our wireless plans offer various packages of services that allow customers, regardless of the device, to select the plan that best matches their network usage patterns. On February 13, 2014, we introduced our More Everything plans which replaced our Share Everything ℠ plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among up to 10 devices connected to the Verizon Wireless network. Customers with Verizon Edge, which provides a device payment plan option, also will receive discounted monthly access fees on More Everything plans. For an additional monthly access fee, our customers have the option of sharing long distance and roaming minutes among their devices for calls from the United States to and calls while within, Canada and Mexico. The More Everything plans also include the Mobile Hotspot service on our smartphones at no additional charge. The Mobile Hotspot service allows a customer to use our network to create a Wi-Fi network that can be used by Wi-Fi enabled devices. Verizon Wireless also offers shared data plans for business with the More Everything plans for Small Business and the Nationwide Business Data Packages and Plans. As of December 31, 2013, Share Everything accounts represented approximately 46% of our retail postpaid accounts, compared to approximately 23% as of December 31, 2012.

We offer a wide variety of wireless services, including Internet access via our broad range of devices. Our customers can access the Internet on all of our smartphones, as well as our basic phones that include HTML web-browsing capability. We also offer service that enables our customers to access the Internet wirelessly at broadband speeds on notebook computers and tablets that either have embedded 4G LTE or 3G EV-DO modules or that are used in conjunction with separate devices that enable access to this service, such as smartphones and USB modems as well as Jetpacks ™ and other dedicated devices that provide a mobile Wi-Fi connection. These devices can be added to the customer's More Everything plan for an additional monthly fee, or the customer can obtain a separate plan for the device at various price points, depending upon both the size of the data allowance purchased and the device covered by the plan.

In addition, we offer messaging services, which enable our customers to send and receive text, picture and video messages. Our customers can access multimedia offerings, mostly provided by third parties, consisting of applications providing music, video, gaming, news and other content, while our business-focused offerings, which are designed to increase productivity, include solutions that enable customers to access the Internet and their corporate intranets, as well as products that enable wireless e-mail across our diverse portfolio of wireless devices. Our location-based services provide our customers with directions to their destination and enable our business customers to locate, monitor and communicate with their mobile field workers. Our global data services allow our customers to access data services on our Global Ready Phones from hundreds of international destinations and to access the Internet at such destinations with laptops that are either Global Ready, tethered to a Global Ready Phone, or are used in conjunction with other Global Ready devices, such as certain USB modems or Jetpacks. In addition, our customers have access to more than one million applications and services developed and distributed by third parties, such as those offered via Google Play accessible on our smartphones running on the Google, Inc. (Google) Android operating system, those offered via the Apple, Inc. (Apple) iTunes store, accessible through smartphones and tablets running on the Apple iOS operating system, those offered by Microsoft Inc. (Microsoft), via Microsoft's Windows Phone OS operating system and those offered by BlackBerry Limited (BlackBerry), through its BlackBerry App World webstore.

Our customers can make and receive calls on their home phone handsets using our wireless network through our Home Phone

Connect service or Verizon 4G LTE Broadband Router with Voice service. We also offer HomeFusion ℠ Broadband, a high-speed Internet service that provides customers with Internet connections in their homes using our 4G LTE network.

In addition, we provide network access and, in some cases, enhanced value added services to support telemetry-type applications, which are characterized by machine-to-machine (M2M) wireless connections. Our M2M services support devices that are used by a variety of vertical market segments, including healthcare, education, manufacturing, utilities, distribution and consumer products. For example, companies purchase network access and, in some cases, enhanced services from us in order to connect with and monitor equipment, such as medical devices used to monitor patients, fleet management devices used to monitor company-operated vehicles and utility monitoring devices used for smart grid applications. Other companies purchase network access and, in some cases, enhanced services from us to support devices that are included in a service they, in turn, sell to end users. We also support telematics services for some of the largest automotive manufacturers. We expect that consumer use of M2M wireless connections, such as home monitoring, health monitoring, energy management and utilities management will increase as consumers integrate these devices into their mobile lifestyle.

Wireless Devices

We offer several categories of wireless devices, including smartphones, tablets and other Internet access devices as well as basic phones.

Smartphones. Our device line-up includes an array of smartphones that are enabled to utilize our 4G LTE and/or 3G EV-DO high-speed data services and run on various operating platforms, such as Apple iOS, Google Android, BlackBerry OS, and Windows Phone OS. In August 2013, we launched the new Verizon Edge device payment plan option which now allows customers to trade in their phone for a new phone after a minimum of thirty days, subject to certain conditions.

Tablets and Other Internet Devices. We offer a variety of 4G LTE and/or 3G EV-DO-enabled tablets from multiple manufacturers that run primarily on either the Apple iOS, Google Android or Microsoft Windows operating system. In 2013, we launched the Ellipsis 7 tablet, which is available exclusively from Verizon Wireless. The tablets we offer also permit our customers to access the Internet via a Wi-Fi connection. In addition, we offer dedicated devices that provide a mobile Wi-Fi 4G LTE and/or 3G EV-DO connection, which we refer to as Jetpacks, capable of connecting multiple Wi-Fi enabled devices to the Internet at one time. Our customers can also access the Internet wirelessly at broadband speeds on their computers via data cards, USB modems or through the use of certain laptop computers and netbooks with embedded 4G LTE and 3G EV-DO Mobile Broadband modules offered by original equipment manufacturers (OEMs). During 2013, we continued to experience strong subscriber demand for tablets and other Internet devices, and the percentage of our retail postpaid connection base represented by connections to these devices continued to increase.

Basic Phones. Most of the basic phones we offer are 3G EV-DO-enabled and have HTML-browsing capability.

We purchase wireless devices and accessories from a number of manufacturers, with the substantial majority of our purchases made from Apple, Motorola Mobility, Samsung, LG Electronics, BlackBerry, HTC, Hitachi and Quality One Wireless (through which we purchase Pantech devices and accessories).

A key component of all wireless devices is the chipset, which contains the "intelligence" of the device. The LTE chipsets used in our 4G LTE-enabled devices are manufactured by various companies, each using its own 4G LTE chipset technology. For the manufacture and supply of our CDMA-1XRTT and EV-DO chipsets, most of our wireless device suppliers rely on Qualcomm Incorporated (Qualcomm). We also sell phones that include CDMA-1XRTT and EV-DO chipsets manufactured by VIA Telecom under license from Qualcomm. In addition, there are a number of other components common to wireless phones provided by various electronic component manufacturers that we do not deal with directly.

Strategic Initiatives

We have undertaken several initiatives to develop innovative devices, data services and applications available to run on our networks, including the following:

- *Mobile Video.* Video content is projected to account for a majority of mobile network traffic by 2018. We believe the growth in video consumption using mobile devices provides us with an opportunity for revenue growth. We have made investments in converging technologies and services involving content delivery networks, video streaming and related consumer hardware to leverage new content models. Our 4G LTE network enables us to move towards a unified video strategy that positions us to take advantage of this growth opportunity. For example, we are using Multimedia Broadcast Multicast Service technology to develop our LTE Multicast service. This service has the potential to enhance our network efficiency and provide our customers with access to live streaming video content with virtually no buffering, regardless of the number of devices using the service.
- *Mobile Commerce.* Every day, large volumes of transactions are carried across our network. As a result, we believe we are well positioned to influence and benefit from the rapid growth of the mobile commerce market that is being driven by technology advances such as the proliferations of smartphones and tablets. Isis, a mobile commerce platform, represents the first phase of our initiatives to address this opportunity. Launched in November 2013 as a joint venture with AT&T Inc. (AT&T) and T-Mobile USA, Inc. (T-Mobile USA), Isis enables customers to pay for point-of-sale purchases via their mobile phones using near field communications technology rather than paying with cash or a credit card. Known as the "ISIS Mobile Wallet," this service enables customers to organize all of their payment cards, offers and loyalty cards in one convenient application on their Isis-ready phone.
- *Innovation centers.* We operate innovation centers in Waltham, Massachusetts and San Francisco. We believe our centers serve as catalysts for the development of non-traditional devices, services and applications that take full advantage of our 4G LTE network. The centers work with many of our strategic partners representing various industries to help them quickly bring products, services, applications and solutions to market.

Network

We have the largest 4G LTE and 3G EV-DO networks of any service provider in the United States, with licensed and operational coverage in all of the 100 most populous U.S. metropolitan areas. As of January 21, 2014, our 4G LTE network covers approximately 305 million people in the U.S., including those in areas served by our LTE in Rural America program.

We strive to provide our customers with the highest network reliability for their wireless services. We design and deploy our network in an efficient manner that we believe maximizes the number of successful data sessions and completions of large file downloads and uploads while delivering on our advertised throughput speeds, and that maximizes the number of calls that are connected on the first attempt and completed without being dropped. We plan to continue to expand and upgrade our network, primarily to increase capacity, as well as explore strategic opportunities to expand our national network coverage through selective acquisitions of wireless operations and spectrum licenses.

In addition to our own network coverage, we have roaming agreements with a number of wireless service providers to enable our customers to receive wireless service in nearly all other areas in the United States where wireless service is available. We also offer a variety of international wireless voice and data services to our customers through roaming arrangements with wireless service providers outside of the United States. Certain of our roaming agreements are terminable at will by either party upon several months' notice, however, we do not believe that the termination of any of these at-will agreements would have a material adverse effect on our business.

Technology

Our primary network technology platforms are 4G LTE and 3G Code Division Multiple Access (CDMA). 4G LTE provides higher data throughput performance for data services at a lower cost compared to those offered by 3G technologies. We continue working to expand 4G LTE coverage beyond our network footprint through our LTE in Rural America Program. We currently have 20 committed program participants that have the potential to provide 4G LTE coverage to approximately three million people under the program and, to date, sixteen participants have commenced operations on such networks.

In 2012, we began testing our mobile Voice over Internet protocol (VoIP) network known as Voice over LTE (VoLTE). This technology, which is expected to be used in addition to the current voice technology, is anticipated to launch commercially in 2014.

Our 3G CDMA network is based on spread-spectrum digital radio technology. CDMA-1XRTT technology is deployed in nearly all of the cell sites in our 3G CDMA network. In addition, EV-DO, a 3G packet-based technology intended primarily for high-speed data transmission, is deployed in substantially all of the cell sites in our 3G CDMA network.

Our network includes various elements of redundancy designed to enhance the reliability of our service. Power and backhaul transport facilities can often become a network's vulnerability. Consequently, we have battery backup at every switch and every cell site in our network. We also utilize backup generators at a majority of our cell sites and at every switch location. In addition, we have a fleet of portable backup generators that can be deployed to cell sites if needed. We further enhance reliability by using a fully redundant backbone Multiprotocol Label Switching network in all critical locations.

Spectrum

The spectrum licenses we hold can be used for mobile wireless voice and data communications services. We have licenses to provide these wireless services on portions of the 800 MHz band, also known as cellular spectrum, the 1800-1900 MHz band, also known as Personal Communication Services (PCS) spectrum, and the 1700 and 2100 MHz band, also known as Advanced Wireless Services (AWS) spectrum, in areas that collectively, cover nearly all of the population of the United States. In addition, we hold licenses for portions of the 700 MHz upper C band, including ten licenses that can, together, be used to provide wireless service coverage to the entire United States and the Gulf of Mexico.

Since 2012, we have entered into several spectrum transactions including:

- In 2012, Verizon Wireless acquired AWS spectrum in separate transactions with SpectrumCo, LLC and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. During 2012, Verizon Wireless also completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA. As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and PCS licenses at fair value and transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless.
- During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value.
- During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value.
- During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands.

- Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.

We anticipate we will need additional spectrum to meet future demand. This increasing demand is being driven by growth in customer connections and usage of wireless broadband services, which use more bandwidth and require ever faster rates of speed to stay competitive. We can meet spectrum needs by acquiring licenses or leasing spectrum from other licensees, or by acquiring new spectrum licenses from the FCC, if and when offered by the FCC in future spectrum auctions. Although the availability of new spectrum for commercial wireless services and the possible dates of future FCC spectrum auctions are uncertain at this time, the FCC and the current Presidential Administration have been seeking the release of additional mobile use spectrum. The FCC is expected to conduct an auction for AWS-3 spectrum in late 2014. In addition, Congress has adopted legislation that provides for the establishment of a national public safety network and the reallocation and auction, through the use of voluntary incentive auctions by 2022 of portions of the existing broadcast spectrum. The incentive auction related to the 600 MHz band is expected to take place in mid-2015, although the specific timing of the AWS-3, 600 MHz and other auctions will be determined by future regulatory proceedings.

Since we and competing wireless service providers have experienced spectrum shortages in certain markets and may have spectrum surpluses in others, we have at times exchanged spectrum licenses with other service providers through secondary market swap transactions. We expect to continue to pursue similar opportunities to trade spectrum licenses in order to meet certain of our capacity and expansion needs in the future. In other cases, Verizon Wireless has entered into intra-market spectrum swaps designed to increase the amount of contiguous spectrum within frequency bands in a specific market. Contiguous spectrum improves network performance and efficiency. These swaps, as well as any spectrum purchases are subject to obtaining governmental approvals for the transfer of spectrum licenses in each instance.

Network Equipment and Build-out

Alcatel-Lucent and Ericsson are currently our primary network vendors for our LTE network deployments for macro sites as well as small cells. Our primary CDMA cell site equipment infrastructure vendors are Alcatel-Lucent, which provides more than half of our CDMA cell site equipment, and Nokia Siemens Networks (NSN) and Ericsson, which together provide nearly all of our remaining cell site equipment. We also rely on Alcatel-Lucent, NSN and Ericsson for our switching equipment.

As we continue to build and upgrade our existing network, we must complete a variety of steps, including securing rights to a large number of sites and obtaining zoning and other governmental approvals for macro sites, small cells, in-building systems and antennas and related radio equipment that comprise distributed antenna systems. We utilize tower site management firms, such as Crown Castle International Corp. and American Tower Corporation, as lessors or managers of a portion of our existing tower sites upon which our operations depend.

Marketing and Distribution

Our marketing strategy is focused on offering solutions tailored to the needs of our various customer market groups, promoting our brand, leveraging our extensive distribution network, and jointly marketing our products and services to large business and government customers with Verizon's Wireline business units through Verizon Enterprise Solutions, a sales and marketing organization that encompasses all of Verizon's solutions for medium and large business and government customers globally. Our marketing plan includes a coordinated program of television, print, radio, outdoor signage, Internet and point-of-sale media promotions designed to present our corporate message consistently across all of our markets. We use a combination of direct, indirect and alternative distribution channels in order to increase customer growth while reducing customer acquisition costs.

Company-operated stores are a core component of our distribution strategy. Our direct channel, which includes our business-to-business sales operations and systems organization, is focused on supporting the wireless communications needs of consumers and local, regional and national business customers. In addition, we have a telemarketing sales force dedicated to handling incoming calls from customers, and we offer fully-automated, end-to-end web-based sales of wireless devices, accessories and service plans.

In November 2013, we launched our first Verizon Destination store at Mall of America in Bloomington, Minnesota. The store focuses on the mobile lifestyle and highlights the many ways consumers can use wireless technology in their daily lives. The store is part of a broader initiative that includes the redesign of our retail stores nationwide to become "smart stores." These newly

redesigned locations showcase the same mobile lifestyle zones as the Verizon Destination store but on a smaller scale During the next few years, we plan to open additional destination stores in high traffic locations across the country. In addition, our online store and Gadgets & Gear portal have also been redesigned to deliver a consistent shopping experience for customers across browsers and mobile platforms

Our indirect channel includes agents that sell our postpaid and prepaid wireless products and services at retail locations throughout the United States, as well as through the Internet The majority of these agents sell both our postpaid and prepaid products and services, and do so under exclusive selling arrangements with us We also utilize high-profile, national retailers, such as Best Buy, Wal-Mart, RadioShack and Target, to sell our postpaid and prepaid wireless products and services Stores such as Dollar General and various drugstore chains sell our prepaid products and services We have also entered into agency agreements with a number of broadband, video and voice service providers through which our products and services are sold on a stand-alone basis or bundled with their services

Competition

We operate in a highly competitive industry We compete against other national wireless service providers, including AT&T, Sprint Corporation and T-Mobile USA, as well as various regional wireless service providers We also compete for retail activations with resellers that buy bulk wholesale service from facilities-based wireless service providers for resale, including those that buy from us We expect competition to intensify as a result of continuing increases in wireless market penetration levels, network investment, the development and deployment of new technologies, the introduction of new products and services, new market entrants, the availability of additional spectrum, both licensed and unlicensed, and regulatory changes Competition may also increase as smaller, stand-alone wireless service providers merge or transfer licenses to larger, better capitalized wireless service providers

The wireless industry also faces competition from other communications and technology companies seeking to increase their brand recognition and capture customer revenue with respect to the provision of wireless products and services For example, Microsoft, Google, Apple and others are offering alternative means for making wireless voice calls that, in certain cases, can be used in lieu of the wireless provider's voice service

We believe that the following are the most important competitive factors in our industry

- *Network reliability, capacity and coverage* We believe that a wireless network that consistently provides high quality and reliable service is a key differentiator in the U S market and a driver of customer satisfaction Lower prices, improved service quality and new wireless service offerings, which in many cases include video content have led to increased customer usage of wireless services, which, in turn, puts pressure on network capacity In order to compete effectively, wireless service providers must keep pace with network capacity needs and offer highly reliable national coverage through their networks We believe that our 4G LTE network will help us to keep pace with network capacity requirements and meet customer demand for higher speeds
- *Pricing* Service and equipment pricing play an important role in the wireless competitive landscape As the demand for wireless services continues to grow, wireless service providers are offering service plans that include unlimited voice minutes and text messages and a specific amount of data access in varying megabyte or gigabyte sizes or, in some cases, unlimited data usage In addition certain wireless service providers are also offering minutes-sharing plans, larger bundles of included minutes with no roaming or long distance charges, features that enable customers to place and receive calls from a group of self-designated U S phone numbers (including landline numbers) at no additional charge, and both prepaid and postpaid plans offering unlimited voice and data usage Wireless service providers are also offering price plans that decouple service pricing from equipment pricing and blur the traditional boundary between prepaid and postpaid plans In addition, some wireless service providers are offering a credit to new customers to reimburse early termination fees paid to their former wireless service provider, subject to certain limitations

  We seek to compete in this area by offering our customers price plans for our services, as well as equipment offers, that they will regard as the best available value for the price
- *Customer service* We believe that high-quality customer service is a key factor in retaining customers and attracting new customers, including those of other wireless providers Our customer service, retention and satisfaction programs are based on *providing customers with convenient and easy-to-use products and services in order to promote long-term relationships* and minimize churn Our competitors also recognize the importance of customer service and are also focused on improving in this area
- *Product and service development* As wireless technologies develop and wireless broadband networks proliferate, continued customer and revenue growth will be increasingly dependent on the development of new and enhanced data products and services We continue to pursue the development and rapid deployment of new and innovative wireless products and services both independently and in collaboration with application service providers We also collaborate with various device manufacturers in the development of distinctive smartphones and other wireless devices that can access the growing array of data applications and content available over the Internet We continue to focus on increasing smartphone penetration throughout our customer base
- *Sales and distribution* Key to achieving sales success in the wireless industry is the reach and quality of sales channels and distribution points We believe that attaining the optimal combination of varying distribution channels is important to achieving industry-leading profitability, as measured by operating income We endeavor to increase sales through our company-operated stores, outside sales teams and telemarketing and web-based sales and fulfillment capabilities, as well as through our extensive indirect distribution network of retail outlets and prepaid replenishment locations and netbook and notebook OEMs In addition we sell network access to both traditional resellers, which resell network services to their end-

users, *and to various companies to enable wireless communications for their M2M devices or for their provision of telematics* services

- *Capital resources* In order to expand the capacity and coverage of their networks and introduce new products and services wireless service providers require significant capital resources We generate significant cash flow from operations, as do some of our competitors

Our success will depend on our ability to anticipate and respond to various factors affecting the wireless industry, including the factors described above as well as new technologies, new business models, changes in customer preferences regulatory changes, demographic trends economic conditions and pricing strategies of competitors

Wireline

Background

Our Wireline segment provides voice data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services We provide these products and services to consumers in the United States as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world In 2013, Wireline revenues were $39 2 billion representing approximately 33% of Verizon's aggregate revenues

Wireline Service and Product Offerings

We organize our service and product offerings by the primary customers targeted by these offerings – mass markets global enterprise and global wholesale

In 2012, Verizon acquired HUGHES Telematics, Inc (HUGHES Telematics) The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers These offerings include our suite of real-time vehicle communications services and applications which connect automobiles with content applications and services We provide services to new vehicles in the United States and in 2013, we extended our agreement with two auto manufacturers to provide services for new vehicles in China and in Europe See "Strategic Initiatives – Verizon Telematics" for additional information

During 2011, we enhanced our offerings of cloud services by acquiring Terremark Worldwide Inc (Terremark), a global provider of information technology infrastructure and cloud services, and by acquiring a provider of cloud software technology These acquisitions improved Verizon's competitive position in the managed hosting and cloud services space, enhanced our offerings to business and government customers globally and contributed to our growth in revenues

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers In 2013, Mass Markets revenues were $17 3 billion, representing approximately 44% of Wireline's aggregate revenues

Data services We offer FiOS broadband and high-speed Internet data products with varying downstream and upstream processing speeds, including FiOS Quantum With FiOS Quantum, customers can achieve download speeds up to 500 megabytes per second (Mbps) and upload speeds up to 100 Mbps We believe that as consumers power more devices and stream more video they will require increased broadband speeds As of December 31, 2013, approximately 45% of our FiOS Internet subscribers subscribe to FiOS Quantum

Video Services We offer video service over our fiber-optic network As of December 31, 2013, FiOS Video is available to approximately 15 million homes across 12 states, as well as the District of Columbia We believe FiOS Video has features that differentiate it from the competition, including its channel line-up, Interactive Media Guide, Home Media DVR and breadth of high definition content, as well as the following

- *Flex View* – With Flex View FiOS customers can watch content anytime, anywhere, on any device Customers who subscribe to FiOS Video and Internet also have the ability to upload their photos, music and videos to their personal Flex View Library, which gives them easy access to this content via any data-capable device The HBO GO offering provides customers with *unlimited access to HBO programming on any data-capable device Verizon's FiOS Video subscribers can also access Turner* Broadcasting's online programming directly on the TBS and TNT sites and through Verizon FiOS Video Online In addition, through FiOS TV Widgets, viewers have one-touch, on demand access to local weather, traffic and community information and popular social media applications such as Facebook, YouTube and Twitter, as well as online commerce opportunities The widget platform has evolved in an open-development environment, which provides opportunities for third parties to develop enhanced customer features via the FiOS Video product
- *Customer Premise Equipment interoperability* – We continue to partner with major corporations to offer further interoperability with various products such as video game consoles, smart televisions and tablets This technology further expands our initiative to provide customers with the ability to watch content anytime, anywhere, on any data-capable device

Voice services We offer voice services that include local exchange, regional, long distance, wire maintenance and voice messaging services, as well as VoIP services, which use the Internet or private broadband networks to transmit voice

Global Enterprise

Global Enterprise offers Strategic services, including networking products and solutions, advanced communications services, and other core communications services to medium and large business customers, including multinational corporations, as well as state and federal government customers. Global Enterprise jointly markets these services with Verizon's other business units through Verizon Enterprise Solutions. In 2013, Global Enterprise revenues were $14.7 billion, representing approximately 38% of Wireline's aggregate revenues.

Strategic services. Strategic services consist of networking products and solutions, advanced communication services for voice and video, and security, infrastructure and cloud services.

Networking products and solutions primarily include:

- *Private IP* – This service, built on multiprotocol label switching, enables customers to leverage the efficiency, performance and value of IP in a secure manner. Our Private IP network allows customers to communicate over a private, secure network in more than 120 countries using a variety of access methods, including Ethernet and Verizon Wireless 4G LTE.
- *Other corporate networking services* – Other services primarily include Ethernet access and ring services. Ethernet services allow customers to connect network environments around the world and enable applications and technologies to work seamlessly and with little disruption. Ring services include technologies that help customers handle bandwidth demands and control their costs.

Advanced communication services primarily include:

- *IP communications* – Our IP communications services simplify network management and drive operational efficiencies by enabling the convergence of voice and data traffic on the same access connection.
- *Infrastructure and cloud services* – Our infrastructure and cloud services include Infrastructure as a Service (IaaS) and managed hosting services that provide enterprise customers with data center, computing, data storage and network facilities, connectivity, security, architecture and support, data center colocation services that house and protect customers' critical applications and systems, including several facilities that offer extensive carrier neutral options, application management services that provide customers with comprehensive monitoring and management of applications, and advanced enterprise-class cloud services that provide organizations with the ability to virtualize IT resources such as computing, memory and storage, enabling their constituents to produce, store, process, consume and share information.
- *Machine-to-Machine (M2M) Services* – Our acquisition of HUGHES Telematics in July 2012 provided a technology platform that we are leveraging in M2M markets, which has enabled us to further develop strategic partnerships in the automotive, transportation, energy, health monitoring, education and insurance industries. M2M services permit customers to connect and monitor equipment, such as medical devices, fleet management devices and utility monitoring devices. We believe that these services, which are enabled on a large scale by 4G LTE wireless technology, have the ability to reshape the way businesses operate and the way consumers interact with devices around them. Verizon offers platform-based solutions tailored to specific industries to enable value creation and new commercial business models. Our goal is to be a leader in implementing the next generation of connected services for vehicles, centered on a core platform of safety, security, fleet management, convenience and other offerings targeting commercial fleet operators, individual consumers and other customers.
- *Security* – We provide integrated solutions to help companies secure their networks and data through the following services:
  - *Security professional services* – Security consultants that construct security plans tailored to the needs of our customers.
  - *Governance, risk and compliance* – Allows customers to assess risk levels based on current security controls and develop plans to address security-related compliance objectives.
  - *Identity management* – Provides identity-based access management for customer data, applications and systems across multiple IT environments.
  - *Managed security* – We design, implement, and maintain a secure IT infrastructure for our clients and help them prevent, detect, and report security threats.
- *Other advanced communications services* – Other services primarily include dedicated Internet access, which provides enterprise customers with high-bandwidth dedicated access to Verizon's global network; unified communications and collaboration capabilities, which enable customers to communicate in real time through VoIP and IP conferencing; and emergency communication services, which allow customers to respond effectively to emergencies while maintaining business continuity.

Core services. Core services include core voice and data services, which consist of a comprehensive portfolio of global solutions utilizing traditional telecommunications technology, such as conferencing and contact center solutions, and private line and data access networks. Core services also include providing customer premise equipment installation, maintenance and site services. We are continuing to transition customers out of historical core services such as Frame Relay and Asynchronous Transfer Mode services.

Global Wholesale

Global Wholesale provides communications services including data, voice, local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers. In 2013, Global Wholesale revenues were $6.7 billion, representing approximately 17% of Wireline's aggregate revenues. A portion of Global Wholesale revenues is generated by a few large telecommunications companies, most of which compete directly with us.

Global Wholesale provides the following services, which it jointly markets with Verizon's other business units through Verizon Enterprise Solutions:

- *Data services.* We offer a robust portfolio of data services with varying speeds and options to enhance our wholesale customers' networks and provide connections to their end users and subscribers. Our data services include high-speed digital data offerings, such as Ethernet and Synchronous Optical Network, as well as core data circuits, such as DS1s and DS3s. In addition, data services include special access revenues that are generated from carriers that buy dedicated local exchange capacity to support their private networks.

  New Ethernet connectivity in the United States represents the largest data growth opportunity in wholesale as we pursue our technology upgrade initiative and customers look to the future and higher capacity demands. These customers are also migrating networks from time division multiplexing to Ethernet, which will better scale and service the growth of broadband services driven by smartphones, mobile broadband and mobile video. Global Wholesale offers a complete suite of services to support the expansion of 4G and 3G networks.

  Data services also include certain value-added business services, which leverage many of the same offerings available in the Global Enterprise portfolio, including:
  - *Managed services* - Offers wholesale customers the opportunity to outsource the management of their networks, security, remote access, and web applications to Verizon.
  - *Mobility* – Enables wholesale customers to enhance their portfolio to triple-play or quad-play capability by leveraging wireless devices and services offered through Verizon Wireless and packaged and resold under their own carrier brand, and
  - *Security* – Provides wholesale customers integrated solutions to help their enterprise end-users secure their networks and data.
- *Voice services.* We provide switched access services that allow carriers to complete their end-user calls that originate or terminate within our territory.
- *Local services.* We offer an array of local dial tone and broadband services to competitive local exchange carriers, some of which are offered to comply with telecommunications regulations. In addition, we offer services such as colocation, resale and unbundled network elements in compliance with applicable regulations.

Other

Other services include such services as local exchange and long distance services derived from former MCI mass market customers and operator services. In 2013, Other revenues were $0.5 billion, representing approximately 1% of Wireline's aggregate revenues.

Strategic Initiatives

Technology developments, interconnected markets, shifting consumer needs and converging industry ecosystems are creating innovative opportunities for Verizon. Our vision is to be a globally-connected solutions company. Our market solutions are designed to deliver best-in-class products and services, strengthen our competitive advantage in the marketplace and drive a high-quality experience for our customers. To take advantage of these market trends, we have undertaken several strategic initiatives to further develop innovative products and services and enhance our market agility in the following areas of focus:

- *Broadband.* Customers are increasingly consuming large amounts of broadband data as connected devices and associated online applications continue to experience significant growth. U.S. broadband usage has more than doubled in the past two years and we expect broadband usage to continue to increase. Our FiOS network positions us in the industry with leading broadband speeds and reliability. Broadband represents a growth opportunity for us as the use of over-the-top video, user generated content and data, and connected homes and devices continue to accelerate.
- *Consumer and Enterprise Video.* Our FiOS Video service continues to experience consumer growth. We are enhancing our FiOS service by providing customers with increasing mobility options to view content in and out of the home to meet the demand for video consumption anywhere and at any time.
- *Cloud Services.* Capitalizing on market growth in cloud services and on enterprise trends toward outsourcing IT infrastructure and services, Verizon introduced an evolutionary cloud platform built for speed and performance, using our own software-based intellectual property and enterprise-grade reliability. Verizon Cloud Compute and Cloud Storage adopt a new approach to how public clouds are built, enabling customers of all sizes to take advantage of the agility and economic benefit of a generic public

cloud along with the reliability and scale of an enterprise-level service, while maintaining control of performance Virtual machines (software-based computers and servers) can be created and deployed in seconds, and users build and pay for what they need

Our cloud infrastructure also enables real-time analytical capabilities for our M2M customers, providing an end-to-end capability where customers can store, process and analyze large amounts of data on a real-time basis Our cloud infrastructure also has the ability to handle multiple instances of an application providing global support and availability of the applications without increased latency The integration of our cloud infrastructure with our telematics assets provides our customers with new and innovative service capabilities that are scalable, and which we believe are operationally superior to other bifurcated approaches

- *Security* With new technologies changing how enterprises do business, the cyber security landscape continues to evolve We believe that businesses are making business and customer data protection one of their highest priorities in order to protect their brand and enhance customer loyalty We believe that Verizon has an advantage in its ability to reduce cyber risks and mitigate the damaging impact of advanced cyber attacks due to the volume of traffic carried globally on our networks We will continue to advance our portfolio of forensics services and managed security services, building new capabilities to identify risks and threats and expanding our IT Security professional services and outsourcing
- *Verizon Telematics* Our suite of real-time vehicle communications services and applications connects automobiles with content, services and call centers Our platform enables factory installed and aftermarket automotive safety and security as well as location-based services and vehicle diagnostics We provide usage-based data services to new vehicles in the United States and in 2013 we extended our agreement with two auto manufacturers to provide services for new vehicles in China and in Europe Through our In-Drive solution, we have partnered with a major automotive insurance provider to deliver usage-based insurance programs and other connected applications Our NetworkFleet solution provides commercial fleet managers throughout North America with real-time access to data that yields operational efficiencies, increased vehicle reliability and improved driver safety We also provide this service to approximately 18,000 vehicles operated by Verizon We are further expanding our telematics portfolio to add asset tracking capabilities

In addition to these strategic areas of focus, we are investing in Verizon Labs and the Software Center of Excellence to support software development and architecture as well as development stage products and services We believe these investments will assist us in bringing innovative next-generation products and services to market and uncover new sources of revenue increase revenue of existing projects and leverage our strengths across the company

Network

To provide services to our customers, we operate an advanced telecommunications network in the United States and around the world

- *FiOS* Our goal is to distinguish FiOS as a premier residential broadband service in the United States As of December 31, 2013, our FiOS service passed over 18 5 million premises and our latest FiOS Quantum service offerings now provide download speeds up to 500 Mbps and upload speeds up to 100 Mbps New services such as the FiOS Mobile App are also extending our TV experience to a host of mobile devices We expect bandwidth demands to grow with the continued emergence of new video and data applications and the proliferation of IP devices in the home

  The Passive Optical Network technology upon which the FiOS network is deployed positions Verizon to meet growing bandwidth requirements Our network architecture provides the flexibility to adapt our facilities more easily to future product development For example, new optical terminals can be added to the fiber-to-the-premise network providing greater bandwidth and new services without any additional field construction Select field trials have successfully achieved connection speeds of nearly one gigabit per second (Gbps), and when a more advanced next-generation technology has been connected to the fiber-optic network, connection speeds of 10 Gbps have been reached, demonstrating the significant growth capacity built into the FiOS platform

  Additionally, this advanced optical network is also finding increased application opportunities in the business sector, especially as the industry seeks to migrate to Ethernet-based access services
- *Global IP* Verizon owns and operates one of the largest global fiber networks with long haul, metro and submarine cable assets providing connectivity to customers in over 150 countries Verizon's global network encompasses over 830,000 route miles of terrestrial and undersea cable, serving the business community to support and enable far reaching international operations

  Global IP traffic has increased substantially over the last five years and is expected to continue to grow significantly This global business is also rapidly evolving to an "everything-as-a-service" model in which business customers seek cloud-based, converged enterprise solutions delivered securely via managed and professional services With the continued deployment of its packet optical transport strategy, Verizon is creating a single, high-capacity global network platform that combines optical transport with advanced packet switching technology The result is a global IP network that can offer powerful solutions to these service demands

  Although overall Wireline capital expenditures declined in 2013 compared to 2012 primarily as a result of decreased legacy spending requirements and a decline in spending on our FiOS network, we furthered our Global IP network expansion initiatives into Europe, Asia, Africa and South America as well as the continued deployment of the industry's first commercial 100G Gbps technology on U S and European backbone routes More than 13,000 100G Ultra-Long-Haul route miles were added to the global IP network in 2013, and we plan to further extend our 100G technology in 2014

We believe that our continued focus on advancing our fiber-based networks and achieving cost efficient solutions through new technology deployments will help Verizon advance its position as a provider of choice to residential and enterprise customers

Competition

The wireline telecommunications industry is highly competitive We expect competition to intensify further with traditional, non-traditional and emerging players seeking increased market share Current and potential competitors include cable companies, wireless service providers, other domestic and foreign telecommunications providers, satellite television companies, Internet service providers and other companies that offer network services and managed enterprise solutions

In addition, companies with a global presence increasingly compete with our wireline businesses A relatively small number of telecommunications and integrated service providers with global operations serve customers in the global enterprise and, to a lesser extent, global wholesale markets We compete with these full or near-full service providers for large contracts to provide integrated services to global enterprises Many of these companies have a strong market presence, brand recognition, and existing customer relationships all of which contribute to intensifying competition and which may affect our future revenue growth

We believe the following are the most important competitive factors and trends in the wireline industry

- *Customer service* Customers expect industry-leading service from their service providers As technologies and services evolve, the ability to excel in this area is very important for customer acquisition and retention In Mass Markets, we compete in this area through our service representatives and online support In Global Enterprise, we provide our customers with ready access to their system and performance information, and we conduct proactive testing of our network to identify issues before they affect customers In the wholesale business we believe service improvement can be achieved through continued system automation initiatives
- *Network reliability and bandwidth (speed)* As both consumers and small business customers look to leverage high-speed connections for entertainment, communications and productivity, we expect broadband penetration will continue to increase over the next several years As online and online-enabled activities increase, so will bandwidth requirements, both downstream and upstream To succeed we and other network-based providers must ensure that our networks can deliver against these increasing bandwidth requirements We continue to invest in our network to be able to meet this future demand In addition, network reliability and security are increasingly important competitive factors in the global enterprise market
- *Pricing* Cable, telecommunications companies and integrated service providers use pricing to capture market share from incumbents Pricing is also a significant factor as non-traditional modes of providing communication services emerge and new entrants compete for customers For example, VoIP and portal-based calling is free or nearly free to customers and is often supported by advertising revenues
- *Product differentiation* As a result of pricing pressures, providers need to differentiate their products and services Customers are shifting their focus from access to applications and are seeking ways to leverage their broadband and video connections Converged features, such as integrated wireless and wireline functionality, are becoming similarly important, driven by both customer demand and technological advancement

In the Mass Markets business, cable operators are significant competitors Cable operators have increased the size and digital capacity of their networks so that they can offer digital products and services We continue to market competitive bundled offerings that include high-speed Internet access, digital television and voice services Several major cable operators also offer bundles with wireless services through strategic relationships

In addition, wireless substitution is an ongoing competitive trend which we expect to continue as wireless companies position their service as a landline alternative We also face increasing competition from cable companies and other providers of VoIP services as well as Internet portal providers

As a result of the Telecommunications Act of 1996, which requires us to allow potential competitors to purchase our services for resale or access components of our network on an unbundled basis at a prescribed cost, competition in our local exchange markets continues Our telephone operations generally have been required to sell their services to competitive local exchange carriers at significant discounts from the prices our telephone operations charge their retail customers The scope of these obligations going forward and the rates we receive are subject to ongoing review and revision by the FCC and state regulators (See "Regulatory and Competitive Trends" in the 2013 Verizon Annual Report to Shareowners)

In the global enterprise market, the customer's need to reduce technical complexity coupled with the growth opportunity created by technology convergence is driving the expansion of the competitive landscape Major competitors include system integrators, carriers and hardware and software providers Some of the biggest companies in IT services are either making acquisitions or forging new alliances to be better positioned for a rebound in technology spending Most new alliances and acquisitions have focused on emerging fields such as cloud computing, software delivery, communication applications and other computing tasks

via the network, rather than on in-house machines. Carriers have also utilized acquisitions to make significant inroads into enterprise outsourcing markets that have long been dominated by the major IT outsourcers.

Global Wholesale competes with traditional carriers for long-haul, voice and IP services. In addition, mobile video and data needs are driving a greater need for wireless backhaul. Network providers, cable companies and niche players are competitors for this new revenue opportunity.

Patents, Trademarks and Licenses

Verizon owns or has licenses to various patents, copyrights, trademarks, domain names and other intellectual property rights necessary to conduct our business. We actively pursue the filing and registration of patents, copyrights, domain names, trademarks and service marks to protect our intellectual property rights within the United States and abroad. Verizon also actively grants licenses, in exchange for appropriate fees or other consideration and subject to appropriate safeguards and restrictions, to other companies that enable such companies to utilize certain Verizon intellectual property rights and proprietary technology as part of their products and services. Such licenses enable such third party licensees to take advantage of the results of Verizon's research and development efforts. While these licenses result in valuable consideration being paid to Verizon, we do not believe that loss of such consideration, or the expiration of any of our intellectual property rights, would have a material effect on our results of operations.

Verizon periodically receives offers from third parties to purchase or obtain licenses for patents and other intellectual property rights in exchange for royalties or other payments. We also periodically receive notices alleging that our products or services infringe on third party patents or other intellectual property rights. These claims, whether against us directly or against third-party suppliers of products or services that we, in turn, sell to our customers, if successful, could require us to pay damages or royalties, or cease offering the relevant products or services.

Acquisitions and Divestitures

"Acquisitions and Divestitures" on pages 32 through 33 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Regulatory and Competitive Trends

"Regulatory and Competitive Trends" included in "Other Factors That May Affect Future Results" on pages 34 through 35 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Environmental Matters

"Environmental Matters" included in "Other Factors That May Affect Future Results" on page 35 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Executive Officers

See Part III, Item 10 "Directors, Executive Officers and Corporate Governance" of this Annual Report on Form 10-K for information about our executive officers.

Employees

As of December 31, 2013, Verizon and its subsidiaries had approximately 176,800 employees. Unions represent approximately 28% of our employees.

Information on Our Internet Website

We make available, free of charge on our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports at www.verizon.com/investor. Verizon has adopted a code of ethics, as that term is defined in Item 406(b) of Regulation S-K, which applies to our Chief Executive Officer, Chief Financial Officer and Controller. A copy of this code may be found on our website at www.verizon.com/investor. Any amendments to this code or any waiver of this code for any executive officer will be posted on that website.

Cautionary Statement Concerning Forward-Looking Statements

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all,
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of, further financing,
- significantly increased levels of indebtedness as a result of the Wireless Transaction,
- changes in tax laws or treaties, or in their interpretation,
- adverse conditions in the U.S. and international economies,
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact,
- material changes in technology or technology substitution,
- disruption of our key suppliers' provisioning of products or services,
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks,
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance,
- the effects of competition in the markets in which we operate,
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings,
- significant increases in benefit plan costs or lower investment returns on plan assets, and
- the inability to implement our business strategies.

The following discussion of "Risk Factors" identifies the most significant factors that may adversely affect our business, operations, financial condition or future performance. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Result of Operations" and the consolidated financial statements and related notes. The following discussion of risks is not all-inclusive but is designed to highlight what we believe are important factors to consider when evaluating our business and expectations. These factors could cause our future results to differ materially from our historical results and from expectations reflected in forward-looking statements.

Adverse conditions in the U.S. and international economies could impact our results of operations.

Unfavorable economic conditions, such as a recession or economic slowdown in the United States or elsewhere, could negatively affect the affordability of and demand for some of our products and services. In difficult economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of our products, electing to use fewer higher margin services or obtaining lower-cost products and services offered by other companies. Similarly, under these conditions, the business customers that we serve may delay purchasing decisions, delay full implementation of service offerings or reduce their use of services. In addition, adverse economic conditions may lead to an increased number of our consumer and business customers that are unable to pay for services. If these events were to occur, it could have a material adverse effect on our results of operations.

We face significant competition that may reduce our profits.

We face significant competition in our industry. The rapid development of new technologies, services and products has eliminated many of the traditional distinctions among wireless, cable, Internet, local and long distance communication services and brought new competitors to our markets, including other telephone companies, cable companies, wireless service providers, satellite providers, application and device providers, electric utilities and providers of VoIP services. While these changes have enabled us to offer new types of products and services, they have also allowed other providers to broaden the scope of their own competitive offerings. Our ability to compete effectively will depend on, among other things, our network quality, capacity and coverage, the pricing of our products and services, the quality of our customer service, our development of new and enhanced products and services, the reach and quality of our sales and distribution channels and our capital resources. It will also depend on how successfully we anticipate and respond to various factors affecting our industry, including new technologies and business models, changes in consumer preferences and demand for existing services, demographic trends and economic conditions. If we are not able to respond successfully to these competitive challenges, we could experience reduced profits.

If we are not able to adapt to changes in technology and address changing consumer demand on a timely basis, we may experience a decline in the demand for our services, be unable to implement our business strategy and experience reduced profits.

Our industry is experiencing rapid change as new technologies are developed that offer consumers an array of choices for their communications needs. In order to grow and remain competitive, we will need to adapt to future changes in technology, enhance our existing offerings and introduce new offerings to address our customers' changing demands. If we are unable to meet future challenges from competing technologies on a timely basis or at an acceptable cost, we could lose customers to our competitors. We may not be able to accurately predict technological trends or the success of new services in the market. In addition, there could be legal or regulatory restraints on our introduction of new services. If our services fail to gain acceptance in the marketplace, or if costs associated with implementation and completion of the introduction of these services materially increase, our ability to retain and attract customers could be adversely affected.

In addition to introducing new technologies and offerings, we must phase out outdated and unprofitable technologies and services. If we are unable to do so on a cost-effective basis, we could experience reduced profits. In addition, there could be legal or regulatory restraints on our ability to phase out current services.

We depend on key suppliers and vendors to provide equipment that we need to operate our business.

We depend on various key suppliers and vendors to provide us, directly or through other suppliers, with equipment and services, such as switch and network equipment and handsets, that we need in order to operate our business and provide products to our customers. For example, our handset and other device suppliers often rely on one vendor for the manufacture and supply of critical components, such as chipsets, used in their devices. If these suppliers or vendors fail to provide equipment or service on a timely basis or fail to meet our performance expectations, we may be unable to provide products and services as and when requested by our customers. We also may be unable to continue to maintain or upgrade our networks. Because of the costs and time lags that

can be associated with transitioning from one supplier to another, our business could be substantially disrupted if we were required to, or chose to replace the products or services of one or more major suppliers with products or services from another source, especially if the replacement became necessary on short notice Any such disruption could increase our costs, decrease our operating efficiencies and have a material adverse effect on our business, results of operations and financial condition

The suppliers and vendors on which we rely may also be subject to litigation with respect to technology on which we depend, including litigation involving claims of patent infringement Such claims have been growing rapidly in the communications industry We are unable to predict whether our business will be affected by any such litigation We expect our dependence on key suppliers to continue as we develop and introduce more advanced generations of technology

Changes in the regulatory framework under which we operate could adversely affect our business prospects or results of operations.

Our domestic operations are subject to regulation by the FCC and other federal, state and local agencies, and our international operations are regulated by various foreign governments and international bodies These regulatory regimes frequently restrict or impose conditions on our ability to operate in designated areas and to provide specified products or services We are frequently required to maintain licenses for our operations and conduct our operations in accordance with prescribed standards We are often involved in regulatory and other governmental proceedings related to the application of these requirements It is impossible to predict with any certainty the outcome of pending federal and state regulatory proceedings relating to our operations, or the reviews by federal or state courts of regulatory rulings Without relief, existing laws and regulations may inhibit our ability to expand our business and introduce new products and services Similarly, we cannot guarantee that we will be successful in obtaining the licenses needed to carry out our business plan or in maintaining our existing licenses For example, the FCC grants wireless licenses for terms generally lasting 10 years, subject to renewal The loss of, or a material limitation on, certain of our licenses could have a material adverse effect on our business, results of operations and financial condition

New laws or regulations or changes to the existing regulatory framework at the federal, state and local, or international level could restrict the ways in which we manage our wireline and wireless networks impose additional costs, impair revenue opportunities and potentially impede our ability to provide services in a manner that would be attractive to us and our customers For example, certain services could be subject to conflicting regulation by the FCC and/or various state and local authorities, which could significantly increase the cost of implementing and introducing new services As another example we hold certain wireless licenses that require us to comply with so-called "open access" FCC regulations, which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice In addition, our broadband Internet access services are subject to various attempts to impose so-called "network neutrality" rules some of which were affirmed and others vacated on appeal in early 2014 Proponents of these rules want to limit the ways that a broadband Internet access service provider can structure business arrangements and manage its network The further regulation of broadband, wireless, and our other activities and any related court decisions could restrict our ability to compete in the marketplace and limit the return we can expect to achieve on past and future investments in our networks

Cyber attacks or other breaches of network or information technology security could have an adverse effect on our business

Cyber attacks or other breaches of network or information technology (IT) security may cause equipment failures or disruptions to our operations Our inability to operate our wireline or wireless networks as a result of such events, even for a limited period of time, may result in significant expenses and/or loss of market share to other communications providers In addition, the potential liabilities associated with these events could exceed the insurance coverage we maintain Cyber attacks, which include the use of malware, computer viruses and other means for disruption or unauthorized access, on companies including Verizon, have increased in frequency, scope and potential harm in recent years While to date, we have not been subject to cyber attacks or other cyber incidents which, individually or in the aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber attack in the future The costs associated with a major cyber attack on Verizon could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cyber security measures, lost revenues from business interruption and litigation Further, certain of Verizon's businesses, including the provisioning of security solutions and infrastructure and cloud services to business customers, could be negatively affected if our ability to protect our own networks is called into question as a result of a cyber attack In addition, if we fail to prevent the theft of valuable information such as financial data, sensitive information about Verizon and intellectual property, or if we fail to protect the privacy of customer and employee confidential data against breaches of network or IT security, it could result in damage to our reputation, which could adversely impact customer and investor confidence Any of these occurrences could result in a material adverse effect on our results of operations and financial condition

Natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations.

Our business operations are subject to interruption by natural disasters, power outages, terrorist attacks, other hostile acts and events beyond our control Such events could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers While we maintain insurance coverage for some of these events, the potential liabilities associated with these events could exceed the insurance coverage we maintain Our system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities These events could also damage the infrastructure of the suppliers that provide us with the equipment and services we need to operate our business and provide products to our customers A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and expenditures to resume operations In addition these occurrences could result in lost revenues from business interruption as well as damage to our reputation

Verizon's debt has increased significantly and could increase further if Verizon incurs additional debt in the future and does not retire existing debt

As of December 31, 2013, Verizon had approximately $93 6 billion of outstanding indebtedness, as well as approximately $6 1 billion of unused borrowing capacity under its existing credit facility Since that date, Verizon has incurred $20 3 billion of additional indebtedness and became entitled to draw upon an additional $2 billion of borrowing capacity under a 364-day revolving credit agreement Verizon's debt level and related debt service obligations could have negative consequences, including

- requiring Verizon to dedicate significant cash flow from operations to the payment of principal, interest and other amounts payable on its debt and the preferred stock issued by the entity acquired from Vodafone, which would reduce the funds Verizon has available for other purposes, such as working capital, capital expenditures and acquisitions,

- making it more difficult or expensive for Verizon to obtain any necessary future financing for working capital, capital expenditures, debt service requirements, debt refinancing, acquisitions or other purposes,
- reducing Verizon s flexibility in planning for or reacting to changes in its industry and market conditions,
- making Verizon more vulnerable in the event of a downturn in its business, and
- exposing Verizon to increased interest rate risk given that a portion of its debt obligations are at variable interest rates

In addition, the term loan agreement Verizon entered into in connection with the Wireless Transaction requires Verizon to maintain a certain leverage ratio unless Verizon's credit ratings are at or above a certain level, which could limit Verizon's ability to obtain additional financing in the future

Adverse changes in the credit markets could increase our borrowing costs and the availability of financing

We require a significant amount of capital to operate and grow our business We fund our capital needs in part through borrowings in the public and private credit markets Adverse changes in the credit markets, including increases in interest rates, could increase our cost of borrowing and/or make it more difficult for us to obtain financing for our operations or refinance existing indebtedness In addition, our borrowing costs can be affected by short- and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by customary credit metrics A decrease in these ratings would likely increase our cost of borrowing and/or make it more difficult for us to obtain financing A severe disruption in the global financial markets could impact some of the financial institutions with which we do business, and such instability could also affect our access to financing

Increases in costs for pension benefits and active and retiree healthcare benefits may reduce our profitability and increase our funding commitments.

With approximately 176,800 employees and approximately 209,000 retirees as of December 31 2013 eligible to participate in Verizon's benefit plans, the costs of pension benefits and active and retiree healthcare benefits have a significant impact on our profitability Our costs of maintaining these plans, and the future funding requirements for these plans, are affected by several factors, including the continuing implementation of the provisions of the Patient Protection and Affordable Care Act and the Health Care Education Reconciliation Act of 2010 increases in healthcare costs, decreases in investment returns on funds held by our pension and other benefit plan trusts and changes in the discount rate used to calculate pension and other postretirement expenses If we are unable to limit future increases in the costs of our benefit plans, those costs could reduce our profitability and increase our funding commitments

A significant portion of our workforce is represented by labor unions, and we could incur additional costs or experience work stoppages as a result of the renegotiation of our labor contracts.

As of December 31, 2013, approximately 28% of our workforce was represented by labor unions We are currently engaged in contract negotiations with labor unions representing approximately 2,900 employees of our wireline business, and we will engage in additional negotiations as other labor contracts expire in the future Depending on the outcome of these negotiations we could incur additional costs and/or experience lengthy work stoppages, which could adversely affect our business operations, including causing a loss of revenue and strained relationships with customers

We are subject to a significant amount of litigation, which could require us to pay significant damages or settlements

Our business faces a substantial amount of litigation, including, from time to time patent infringement lawsuits antitrust class actions, wage and hour class actions personal injury claims and lawsuits relating to our advertising, sales, billing and collection practices In addition, our wireless business also faces personal injury and consumer class action lawsuits relating to alleged health effects of wireless phones or radio frequency transmitters, and class action lawsuits that challenge marketing practices and disclosures relating to alleged adverse health effects of handheld wireless phones We may incur significant expenses in defending these lawsuits In addition, we may be required to pay significant awards or settlements

Sales of shares of Verizon common stock after the completion of the Wireless Transaction may cause the market price of Verizon common stock to fall.

As of December 31, 2013, Verizon had approximately 2 86 billion shares of common stock outstanding Verizon issued approximately 1 27 billion shares of Verizon common stock in connection with the Wireless Transaction The issuance of these new shares of Verizon common stock could have the effect of depressing the market price for Verizon common stock

In addition, many Vodafone shareholders are already shareholders of Verizon and those shareholders may decide not to hold the additional Verizon shares they received in the Wireless Transaction. Other Vodafone shareholders, such as funds with geographic limitations on their permitted investments, may be required to sell the shares of Verizon common stock that they received in the Wireless Transaction. Such sales of Verizon common stock could also have the effect of depressing the market price for Verizon common stock.

None

Our principal properties do not lend themselves to simple description by character and location. Our total investment in plant, property and equipment was approximately $221 billion at December 31, 2013 and $210 billion at December 31, 2012, including the effect of retirements, but before deducting accumulated depreciation. Our gross investment in plant, property and equipment consisted of the following:

At December 31	2013	2012
Network equipment	80.1%	79.7%
Land, buildings and building equipment	11.2%	11.3%
Furniture and other	8.7%	9.0%
	100.0%	100.0%

Our properties as a percentage of total properties are as follows:

At December 31	2013	2012
Wireline	61.3%	62.4%
Wireless	37.7%	36.5%
Other	1.0%	1.1%
	100.0%	100.0%

Network equipment consists primarily of cable (aerial, buried, underground or undersea) and the related support structures of poles and conduit, wireless plant, switching equipment, network software, transmission equipment and related facilities. Land, buildings and building equipment consists of land and land improvements, central office buildings or any other buildings that house network equipment, and buildings that are used for administrative and other purposes. Substantially all the switching centers are located on land and in buildings we own due to their critical role in the network and high set-up relocation costs. We also maintain facilities throughout the United States comprised of administrative and sales offices, customer care centers, retail sales locations, garage work centers, switching centers, cell sites and data centers. Furniture and other consists of telephone equipment, furniture, data processing equipment, office equipment, motor vehicles, plant under construction, capitalized non-network computer software costs and leasehold improvements. A portion of our property is subject to the liens of their respective mortgages securing funded debt.

On September 15, 2010, the U.S. Bank National Association (U.S. Bank), as Litigation Trustee for the Ideare Inc. Litigation Trust (Litigation Trust), filed suit in U.S. District Court for the Northern District of Texas against Verizon and certain subsidiaries challenging the November 2006 spin-off of Verizon's former directories business then known as Ideare, Inc. U.S. Bank, which represents a group of creditors who filed claims in Ideare's bankruptcy, alleged that Ideare was insolvent at the time of the spin-off or became insolvent shortly thereafter. The Litigation Trust sought over $9 billion in damages. Following a two-week trial in October 2012 limited to the question of the value of Ideare, Inc. on the date of the spin-off, on January 22, 2013, the Court issued a decision finding that the value was "at least $12 billion." As $12 billion exceeds the value of the debt and cash that Ideare transferred to Verizon on the date of the spin-off, the Court issued a related Order to Show Cause directing the Litigation Trust to submit a brief that "explains why any (or all) of its legal claims are viable in light of the court's finding on Ideare's value." In its June 18, 2013 decision, the Court entered judgment for Verizon and its subsidiaries and ruled that U.S. Bank would "take nothing" on its claims. U.S. Bank appealed the decision to the U.S. Court of Appeals for the Fifth Circuit, where briefing is scheduled to be completed in the first quarter of 2014.

On October 25, 2011, a Litigation Trust created during the bankruptcy proceedings of FairPoint Communications, Inc. filed a complaint in state court in Mecklenburg County, North Carolina, against Verizon and other related entities. The complaint claims that FairPoint's acquisition of Verizon's landline operations in Maine, New Hampshire and Vermont in March 2008 was structured and carried out in a way that left FairPoint insolvent or led to its insolvency shortly thereafter and ultimately to its October 2009 bankruptcy. The Litigation Trust seeks approximately $2 billion in damages. Verizon removed the case to the United States District Court for the Western District of North Carolina in November 2011. At the close of discovery in February 2012, Verizon filed a summary judgment motion to dismiss the two counts in the complaint—constructive fraudulent transfer and actual fraudulent transfer. On June 12, 2013, the Court granted Verizon's summary judgment motion in part, dismissing the Litigation Trust's constructive fraudulent transfer claim. A two-week bench trial limited to the actual fraudulent transfer claim concluded December 15, 2013.

In October 2013, the California Attorney General's Office notified Verizon California Inc. and other Verizon companies of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation and continue to review our operations relating to the management of hazardous waste. While penalties relating to the alleged violations could exceed $100,000, we do not expect that any penalties ultimately incurred will be material.

None

The principal market for trading in the common stock of Verizon is the New York Stock Exchange. As of December 31, 2013, there were 585,931 shareowners of record.

High and low stock prices, as reported on the New York Stock Exchange composite tape of transactions, and dividend data are as follows:

		Market Price		Cash Dividend
		High	Low	Declared
2013	Fourth Quarter	$ 51.49	$ 46.03	$ .530
	Third Quarter	51.94	45.08	.530
	Second Quarter	54.31	47.77	.515
	First Quarter	49.59	41.50	.515
2012	Fourth Quarter	$ 47.32	$ 40.51	$ .515
	Third Quarter	46.41	42.18	.515
	Second Quarter	44.77	36.80	.500
	First Quarter	40.48	37.07	.500

On February 3, 2011, the Board approved a share buyback program which authorized the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2014. The Board also determined that no additional shares were to be purchased under the previously authorized buyback program. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs. The Company may also enter into Rule 10b5-1 plans from time to time to facilitate repurchases of its shares under this authorization. A Rule 10b5-1 plan permits the Company to repurchase shares at times when it might otherwise be prevented from doing so, provided the plan is adopted when the Company is not aware of material non-public information.

During the fourth quarter of 2013, Verizon did not repurchase any shares of Verizon common stock. At December 31, 2013, the maximum number of shares that could be purchased by or on behalf of Verizon under our share buyback program was 96.5 million.

For other information required by this item, see the section entitled "Stock Performance Graph" on page 9 of the 2013 Verizon Annual Report to Shareowners, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Selected Financial Data" on page 9, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 10 through 28, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Market Risk" on page 29, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners on pages 38 through 71, which is incorporated herein by reference.

None

Our chief executive officer and chief financial officer have evaluated the effectiveness of the registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this Annual Report, that ensure that information relating to the registrant which is required to be disclosed in this report is recorded, processed, summarized and reported within required time periods Based on this evaluation, our chief executive officer and chief financial officer have concluded that the registrant's disclosure controls and procedures were effective as of December 31, 2013

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes intended to ensure an effective internal control environment We are continuing an initiative to implement new financial systems that will continue in phases over the next several quarters We are also continuing an initiative to standardize and centralize transaction-processing activities within our accounting processes, which we expect to continue over the next several years These initiatives will incorporate certain changes in personnel as well In connection with these initiatives and the resulting changes in our financial systems and transaction-processing activities, the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective

Except as noted above there were no changes in the Company's internal control over financial reporting during the fourth quarter of 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting

Management's report on internal control over financial reporting and the attestation report of Verizon's independent registered public accounting firm are included in the 2013 Verizon Annual Report to Shareowners on pages 36 and 37 and are incorporated herein by reference

None

Set forth below is information with respect to our executive officers

Name	Age	Office	Held Since
Lowell C McAdam	59	Chairman and Chief Executive Officer	2011
Roy H Chestnutt	54	Executive Vice President – Strategy, Development and Planning	2013
Roger Gurnani	53	Executive Vice President and Chief Information Officer	2010
Daniel S Mead	60	Executive Vice President and President and Chief Executive Officer – Verizon Wireless	2010
Anthony J Melone	53	Executive Vice President and Chief Technology Officer	2010
Randal S Milch	55	Executive Vice President – Public Policy and General Counsel	2008
W Robert Mudge	54	President – Consumer and Mass Business Markets	2012
Marc C Reed	55	Executive Vice President and Chief Administrative Officer	2004
Francis J Shammo	53	Executive Vice President and Chief Financial Officer	2010
Anthony T Skiadas	45	Senior Vice President and Controller	2013
John G Stratton	52	Executive Vice President and President – Verizon Enterprise Solutions	2012
Marni M Walden	46	Executive Vice President and President – Product and New Business Innovation	2014

Prior to serving as an executive officer, each of the above officers has held high-level managerial positions with the Company or one of its subsidiaries for at least five years with the exception of Mr Chestnutt, who has been with the Company since 2011 Officers are not elected for a fixed term of office and may be removed from office at any time at the discretion of the Board of Directors

Roy H Chestnutt is Executive Vice President – Strategy, Development and Planning for Verizon From the time he joined the Company in 2011 until he was appointed to his current role in January 2013, Mr Chestnutt was Senior Vice President of Corporate Strategy Prior to joining Verizon, Mr Chestnutt served as Corporate Vice President of the Americas at Motorola Networks from June 2010 to June 2011, and from 2006 to 2009, Mr Chestnutt was Chairman and Chief Executive Officer of Grande Communications Networks (Grande), a facilities-based provider of bundled communications services Prior to joining Grande, Mr Chestnutt held a variety of management positions with Sprint-Nextel Corporation, Nextel Communications and AirTouch Communications

Set forth below is information with respect to Directors currently in office who are retiring from the Board of Directors in April 2014 and are not standing for re-election

Sandra O Moose

Dr Moose, 72 is President of Strategic Advisory Services LLC, a consulting firm She was Senior Managing Partner of The Boston Consulting Group, Inc (BCG) until 2004 At BCG, Dr Moose provided strategic planning, operational effectiveness and related consulting services to global clients in a variety of industries, including consumer and industrial goods, financial services and telecommunications, over a 35-year career Dr Moose was a principal founder of BCG's Financial Services practice and a key contributor to the development of the firm's early management concepts She led BCG's New York office from 1988 to 1998 and was Chair of the East Coast region, which accounted for approximately 20% of BCG's overall revenues, from 1994 to 1999

Dr Moose's experience at BCG as a strategic advisor to diverse clients enables her to advise the Board and senior management on key issues of corporate strategy, including with respect to global growth, consumer goods and telecommunications issues In addition to her strategic planning expertise, Dr Moose has been the chair or presiding director of several public companies and several charitable organizations, which has given her extensive expertise in corporate governance Dr Moose also brings to the Board substantial financial expertise and insights into the views of institutional investors, which are important to Verizon as a public company

Dr Moose has served as a Director of Verizon since 2000 and was a director of GTE Corporation from 1978 to 2000 She is Presiding Director, Chairperson of the Corporate Governance and Policy Committee and a member of the Audit Committee Dr Moose is also Chairperson of the Board of Trustees of Natixis Advisor Funds (where she has served as a trustee of the funds and their predecessors since 1982) and Loomis Sayles Funds (where she has served as a trustee since 2003) and a director of The AES Corporation (since 2004) In the past five years, Dr Moose has served on the board of Rohm and Haas Company as its lead director

Joseph Neubauer

Mr Neubauer, 72, is Chairman of ARAMARK Holdings Corporation and its subsidiary ARAMARK Corporation, a professional services company Until May 2012, he was also the Chief Executive Officer He has served in those roles with ARAMARK and its predecessors for more than 25 years ARAMARK's approximately 272,000 employees provide food, hospitality, facility and uniform services in 22 countries and generated $13 9 billion in revenue during its 2013 fiscal year Mr Neubauer joined ARAMARK's predecessor, ARA Services, in 1979 as Executive Vice President of Finance and Development, Chief Financial Officer and a director He was elected President in 1981, Chief Executive Officer in 1983 and Chairman in 1984

During his long tenure as Chairman and Chief Executive Officer of ARAMARK, Mr Neubauer gained business and management experience leading a large, complex organization with international operations and a large, diverse workforce This experience gives him a thorough understanding of many important issues facing Verizon Mr Neubauer brings to the Board, along with other skills and qualifications, extensive expertise in corporate finance, strategy and development His broad background in hospitality and professional services, as well as his in-depth knowledge of consumer services, gives Mr Neubauer insights on reaching retail and business customers, which is critical to Verizon's success

Mr Neubauer has served as a Director of Verizon since 1995 and is Chairperson of the Human Resources Committee He is also a director of Macy's, Inc (since 1992)

Hugh B Price

Mr Price, 72, is a Non-Resident Senior Fellow at The Brookings Institution, an independent research and policy institute Mr Price was President and Chief Executive Officer of the National Urban League from 1994 until 2003 During that time, Mr Price restructured its board of directors, developed a new mission for the League and established its research and policy center

Following his work at the National Urban League, Mr Price was Senior Advisor of DLA Piper Rudnick Gray Cary US LLP from 2003 to 2005 and a Non-Resident Senior Fellow of the Economic Studies Program at The Brookings Institution from 2006 to 2008 From 2008 to June 2013, he served as a visiting professor at the Woodrow Wilson School at Princeton University Prior to joining the National Urban League, Mr Price held a variety of positions in journalism, law and public interest organizations, including serving on the Editorial Board of *The New York Times*

Mr Price brings to the Board, among other skills and qualifications, a wide range of experience in leadership positions in both the private and non-profit sectors As a result of his experience at the National Urban League and The Brookings Institution, Mr Price is able to advise the Board and senior management on economic, government and public interest issues His extensive management and leadership experience enables him to provide insights on corporate governance matters He also has expertise in strategic planning, operations management and business services, which are critical issues for Verizon

Mr Price has served as a Director of Verizon since 1997 and was a Director of NYNEX Corporation from 1995 to 1997 He is a member of the Corporate Governance and Policy Committee Mr Price is also a director of MetLife Inc (since 1999) and Metropolitan Life Insurance Company (since 1994)

Other information required by this item is incorporated by reference to the biographies of the Directors standing for re-election on pages 11-16 of Exhibit 99 the section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" on page 59 of Exhibit 99, the section entitled "Business Conduct and Ethics" on page 2 of Exhibit 99, and the information relating to the Audit Committee on page 5 of Exhibit 99 There have been no material changes to shareholder nominating procedures

Information with respect to executive compensation is incorporated by reference to the sections entitled "Compensation Discussion and Analysis" and "Compensation Tables" on pages 31-57 of Exhibit 99 The Compensation Committee Report is incorporated by reference to page 31 of Exhibit 99 There were no compensation committee interlocks or insider transactions required to be disclosed pursuant to item 407(e)(4) of Regulation S-K under the Securities Exchange Act of 1934

Information with respect to security ownership is incorporated by reference to the section entitled "Security Ownership of Certain Beneficial Owners and Management" on pages 57-59 of Exhibit 99

The following table provides information as of December 31, 2013 for (i) all equity compensation plans previously approved by the Company's shareholders, and (ii) all equity compensation plans not previously approved by the Company's shareholders Since May 9, 2009 the Company has only issued awards under the 2009 Verizon Communications Inc Long-Term Incentive Plan (2009 LTIP) which provides for awards of stock options, restricted stock, restricted stock units, performance stock units and other equity-based hypothetical stock units to employees of Verizon and its subsidiaries No new awards are permitted to be issued under any other equity compensation plan In accordance with SEC rules the table does not include outstanding awards that are payable solely in cash by the terms of the award, and such awards do not reduce the number of shares remaining for issuance under the 2009 LTIP

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	17,133,926 (1)	$ 34.35 (2)	99,062,483 (3)
Equity compensation plans not approved by security holders	248,756 (4)	—	—
Total	17,382,682	$ 34.35	99,062,483

(1) This amount includes 982,881 shares of common stock subject to outstanding stock options, 16,120,285 shares of common stock subject to outstanding restricted stock units and performance stock units, and 30,760 shares subject to outstanding deferred stock units, in each case including, for awards other than stock options, dividend equivalents accrued on such awards through December 31 2013 This does not include performance stock units, deferred stock units and deferred share equivalents payable solely in cash None of the outstanding stock options include tandem dividend equivalent rights

(2) This number reflects the weighted average exercise price of outstanding stock options Verizon's outstanding restricted stock units, performance stock units and deferred stock units do not have exercise prices associated with the settlement of these awards

(3) This number reflects the number of shares of common stock that remained available for future issuance under the 2009 LTIP

(4) This number reflects shares subject to deferred stock units credited to the Verizon Income Deferral Plan, which were awarded in 2002 under the Verizon Communications Broad-Based Incentive Plan No new awards are permitted to be issued under this plan

Information with respect to transactions with related persons is incorporated by reference to the section entitled "Related Person Transaction Policy" on pages 2-3 of Exhibit 99 Information with respect to Director independence is incorporated by reference to the section entitled "Independence" on page 3 of Exhibit 99

Information with respect to principal accountant fees and services is incorporated by reference to the section entitled "Ratification of Appointment of Independent Registered Public Accounting Firm" on page 17 of Exhibit 99

(a) Documents filed as part of this report

		Page
(1)	Report of Management on Internal Control Over Financial Reporting	*
(2)	Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting	*
(3)	Report of Independent Registered Public Accounting Firm on Financial Statements	*
	Financial Statements covered by Report of Independent Registered Public Accounting Firm	
	Consolidated Statements of Income	*
	Consolidated Statements of Comprehensive Income	*
	Consolidated Balance Sheets	*
	Consolidated Statements of Cash Flows	*
	Consolidated Statements of Changes in Equity	*
	Notes to Consolidated Financial Statements	*
	* Incorporated herein by reference to the appropriate portions of the registrant's Annual Report to Shareowners for the fiscal year ended December 31, 2013 (See Part II)	
(4)	Financial Statement Schedule	
	II – Valuation and Qualifying Accounts	28
(5)	Exhibits	

Exhibit Number	Description
3a(i)	Restated Certificate of Incorporation of Verizon Communications Inc (Verizon) (filed as Exhibit 3a to Form 10-K for the year ended December 31 2005 and incorporated herein by reference)
3a(ii)	Certificate of Amendment of Restated Certificate of Incorporation of Verizon, effective February 4 2014
3b	By-laws of Verizon, as amended, effective as of December 3, 2009 (filed as Exhibit 3b to Form 8-K dated December 7, 2009 and incorporated herein by reference)
4a	Indenture between Verizon, both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association as successor trustee to Wachovia Bank, National Association formerly known as First Union National Bank as Trustee, dated as of December 1, 2000 (incorporated by reference to Verizon Global Funding Corp 's Registration Statement on Form S-4, Registration No 333-64792, Exhibit 4 1)
4b	First Supplemental Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank as Trustee, dated as of May 15, 2001 (incorporated by reference to Verizon Global Funding Corp 's Registration Statement on Form S-3, Registration No 333-67412 Exhibit 4 2)
4c	Second Supplemental Indenture between Verizon, both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association, as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee, dated as of September 29, 2004 (incorporated by reference to Form 8-K filed on February 9, 2006, Exhibit 4 1)
4d	Third Supplemental Indenture between Verizon, both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association, as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee, dated as of September 29, 2004 (incorporated by reference to Form 8-K filed on February 9, 2006, Exhibit 4 2)
	Except for Exhibits 4a – 4d above no other instrument which defines the rights of holders of long-term debt of Verizon and its consolidated subsidiaries is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A) Pursuant to this regulation, Verizon hereby agrees to furnish a copy of any such instrument to the SEC upon request
10a	GTE's Charitable Awards Program (filed as Exhibit 10-10 to GTE's Form 10-K for the year ended December 31, 1992, File No 1-2755 and incorporated herein by reference) **
10b	NYNEX Directors' Charitable Award Program (filed as Exhibit 10i to Form 10-K for the year ended December 31, 2000 and incorporated herein by reference) **
10c	2009 Verizon Long-Term Incentive Plan, As Amended and Restated (incorporated by reference to Appendix D of the Registrant's Proxy Statement included in Schedule 14A filed on March 18, 2013) **
10c(i)	Performance Stock Unit Agreement 2011-2013 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference) **
10c(ii)	Restricted Stock Unit Agreement 2011-2013 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference) **
10c(iii)	Form of 2011 Special Performance Stock Unit Agreement (filed as Exhibit 10 to Form 10-Q for the period ended September 30, 2011 and incorporated by reference) **
10c(iv)	Performance Stock Unit Agreement 2012-2014 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference) **

10e(v) Restricted Stock Unit Agreement 2012-2014 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference) **

10e(vi) Performance Stock Unit Agreement 2013-2015 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31, 2013 and incorporated herein by reference) **

10e(vii) Restricted Stock Unit Agreement 2013-2015 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2013 and incorporated herein by reference) **

10d Verizon Short-Term Incentive Plan, As Amended and Restated (incorporated by reference to Appendix C of the Registrant's Proxy Statement included in Schedule 14A filed on March 23, 2009) **

10e Verizon Income Deferral Plan (filed as Exhibit 10f to Form 10-Q for the period ended June 30, 2002 and incorporated herein by reference) **

10e(i) Description of Amendment to Plan (filed as Exhibit 10e(i) to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **

10f Verizon Excess Pension Plan (filed as Exhibit 10p to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **

10f(i) Description of Amendment to Plan (filed as Exhibit 10p(i) to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **

10g GTE's Executive Salary Deferral Plan, as amended (filed as Exhibit 10 10 to GTE's Form 10-K for the year ended December 31, 1998, File No 1-2755 and incorporated herein by reference) **

10h Bell Atlantic Senior Management Long-Term Disability and Survivor Protection Plan, as amended (filed as Exhibit 10h to Form SE filed on March 27, 1986 and Exhibit 10b(ii) to Form 10-K for the year ended December 31, 1997 and incorporated herein by reference) **

10i GTE Executive Retiree Life Insurance Plan (filed as Exhibit 10q to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10j Verizon Executive Life Insurance Plan As Amended and Restated September 2009 (filed as Exhibit 10s to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10k Verizon Executive Deferral Plan (filed as Exhibit 10e to Form 10-Q for the period ended June 30, 2009 and incorporated herein by reference) **

10l Form of Aircraft Time Sharing Agreement (filed as Exhibit 10v to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10m NYNEX Deferred Compensation Plan for Non-Employee Directors (filed as Exhibit 10gg to NYNEX's Registration Statement No 2-87850, File No 1-8608 and incorporated herein by reference) **

10n Amendment to NYNEX Deferred Compensation Plan for Non-Employee Directors (filed as Exhibit 10m 5a to NYNEX s Quarterly Report on Form 10-Q for the period ended June 30, 1996, File No 1-8608 and incorporated herein by reference) **

10o Verizon Senior Manager Severance Plan (filed as Exhibit 10d to Form 10-Q for the period ended March 31, 2010 and incorporated herein by reference) **

10p U.S. Wireless Agreement, dated September 21, 1999, among Bell Atlantic and Vodafone Airtouch plc, including the forms of Amended and Restated Partnership Agreement and the Investment Agreement (filed as Exhibit 10 to Form 10-Q for the period ended September 30, 1999 and incorporated herein by reference)

10q Term Loan Credit Agreement, dated as of October 1, 2013, among Verizon, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (filed as Exhibit 10 1 to Form 8-K filed on October 3, 2013 and incorporated herein by reference)

12 Computation of Ratio of Earnings to Fixed Charges filed herewith

13 Portions of Verizon's Annual Report to Shareowners for the fiscal year ended December 31, 2013 filed herewith Only the information incorporated by reference into this Form 10-K is included in the exhibit

21 List of principal subsidiaries of Verizon filed herewith

23 Consent of Ernst & Young LLP filed herewith

31 1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith

31 2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith

32 1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith

32 2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith

99 Selected Corporate Governance and Executive Compensation Information included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014

101 INS XBRL Instance Document.

101 SCH XBRL Taxonomy Extension Schema Document

101 PRE XBRL Taxonomy Presentation Linkbase Document

101 CAL XBRL Taxonomy Calculation Linkbase Document

101 LAB XBRL Taxonomy Label Linkbase Document

101 DEF XBRL Taxonomy Extension Definition Linkbase Document

** Indicates management contract or compensatory plan or arrangement

Schedule II - Valuation and Qualifying Accounts

Verizon Communications Inc. and Subsidiaries

For the Years Ended December 31, 2013, 2012 and 2011

(dollars in millions)

Description	Balance at Beginning of Period	Additions: Charged to Expenses	Additions: Charged to Other Accounts Note (a)(b)	Deductions Note (c)(d)	Balance at End of Period
Allowance for Uncollectible Accounts Receivable					
Year 2013	**$ 641**	**$ 993**	**$ 162**	**$ 1,151**	**$ 645**
Year 2012	802	972	113	1,246	641
Year 2011	876	1,026	139	1,239	802
Valuation Allowance for Deferred Tax Assets					
Year 2013	**$ 2,041**	**$ 235**	**$ 30**	**$ 710**	**$ 1,596**
Year 2012	2,376	120	38	493	2,041
Year 2011	3,421	108	25	1,178	2,376

(a) Allowance for Uncollectible Accounts Receivable primarily includes amounts previously written off which were credited directly to this account when recovered

(b) Valuation Allowance for Deferred Tax Assets includes current year increase to valuation allowance charged to equity and reclassifications from other balance sheet accounts

(c) Amounts written off as uncollectible or transferred to other accounts or utilized

(d) Reductions to valuation allowances related to deferred tax assets

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

VERIZON COMMUNICATIONS INC

By /s/ Anthony T Skiadas — Date February 27, 2014
Anthony T Skiadas
Senior Vice President and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated

Principal Executive Officer

/s/ Lowell C McAdam — Chairman and Chief Executive Officer — February 27, 2014
Lowell C McAdam

Principal Financial Officer

/s/ Francis J Shammo — Executive Vice President and Chief Financial Officer — February 27, 2014
Francis J Shammo

Principal Accounting Officer

/s/ Anthony T Skiadas — Senior Vice President and Controller — February 27, 2014
Anthony T Skiadas

/s/ Shellye L. Archambeau Shellye L. Archambeau	Director	February 27, 2014
/s/ Richard L. Carrion Richard L. Carrion	Director	February 27, 2014
/s/ Melanie L. Healey Melanie L. Healey	Director	February 27, 2014
/s/ M. Frances Keeth M. Frances Keeth	Director	February 27, 2014
/s/ Robert W. Lane Robert W. Lane	Director	February 27, 2014
/s/ Sandra O. Moose Sandra O. Moose	Director	February 27, 2014
/s/ Joseph Neubauer Joseph Neubauer	Director	February 27, 2014
/s/ Donald T. Nicolaisen Donald T. Nicolaisen	Director	February 27, 2014
/s/ Clarence Otis, Jr. Clarence Otis Jr.	Director	February 27, 2014
/s/ Hugh B. Price Hugh B. Price	Director	February 27, 2014
/s/ Rodney E. Slater Rodney E. Slater	Director	February 27, 2014
/s/ Kathryn A. Tesija Kathryn A. Tesija	Director	February 27, 2014
/s/ Gregory D. Wasson Gregory D. Wasson	Director	February 27, 2014

EXHIBIT 3a(ii)

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
VERIZON COMMUNICATIONS INC.

Verizon Communications Inc. (the "Corporation"), a corporation organized on October 7, 1983, and existing under and by virtue of the General Corporation Law of the State of Delaware, HEREBY DOES CERTIFY

FIRST: That at a meeting of the Board of Directors of the Corporation held on September 2, 2013, resolutions were duly adopted approving a proposed amendment to the Restated Certificate of Incorporation (the "Certificate Amendment") of the Corporation and recommending that the proposed Certificate Amendment be approved by the stockholders of the Corporation. The Certificate Amendment is attached hereto as Exhibit A.

SECOND: That, thereafter, pursuant resolution of the Corporation's Board of Directors, a special meeting of the stockholders was held on January 28, 2014 upon notice and in accordance with the provisions of Section 222 of the General Corporation Law of the State of Delaware, at which meeting a majority of the outstanding stock entitled to vote thereon was voted in favor of the Certificate Amendment as proposed by the Corporation's Board of Directors.

THIRD: That the Certificate Amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed by William L. Horton, Jr., its Senior Vice President, Deputy General Counsel and Corporate Secretary, this 3rd day of February, 2014.

VERIZON COMMUNICATIONS INC.

By: /s/ William L. Horton, Jr.
William L. Horton, Jr.
Senior Vice President, Deputy
General Counsel and Corporate Secretary

EXHIBIT A

CHARTER AMENDMENT

Article 4.A of the Restated Certificate of Incorporation is hereby amended and restated in its entirety to read in full as follows:

4 Capital Stock

A. Authorized Shares. The total number of shares of all classes of stock which the Corporation shall have the authority to issue is 6,500,000,000 shares, of which 6,250,000,000 shares are Common Stock, $.10 par value per share, and 250,000,000 shares are Series Preferred Stock, $.10 par value per share.

EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
Verizon Communications Inc. and Subsidiaries

(dollars in millions)

Years Ended December 31,	2013	2012	2011	2010	2009
Earnings:					
Income before (provision) benefit for income taxes	$ 29,277	$ 9,897	$ 10,483	$ 12,684	$ 13,520
Equity in earnings of unconsolidated businesses	(142)	(324)	(444)	(508)	(553)
Dividends from unconsolidated businesses	40	401	480	510	942
Interest expense [1]	2,667	2,571	2,827	2,523	3,102
Portion of rent expense representing interest	851	837	817	837	839
Amortization of capitalized interest	177	162	148	139	134
Earnings, as adjusted	$ 32,870	$ 13,544	$ 14,311	$ 16,185	$ 17,984
Fixed Charges:					
Interest expense [1]	$ 2,667	$ 2,571	$ 2,827	$ 2,523	$ 3,102
Portion of rent expense representing interest	851	837	817	837	839
Capitalized interest	754	406	442	964	927
Fixed Charges	$ 4,272	$ 3,814	$ 4,086	$ 4,324	$ 4,868
Ratio of earnings to fixed charges	7.69	3.55	3.50	3.74	3.69

[1] We classify interest expense recognized on uncertain tax positions as income tax expense and therefore such interest expense is not included in the Ratio of Earnings to Fixed Charges.

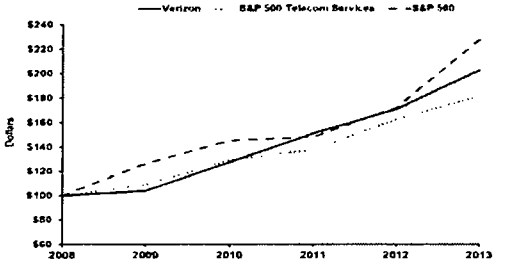
Exhibit 13

(dollars in millions, except per share amounts)

	2013	2012	2011	2010	2009
Results of Operations					
Operating revenues	$ 120,550	$ 115,846	$ 110,875	$ 106,565	$ 107,808
Operating income	31,968	13,160	12,880	14,645	15,978
Net income attributable to Verizon	11,497	875	2,404	2,549	4,894
Per common share – basic	4.01	31	85	90	1 72
Per common share – diluted	4.00	31	85	90	1 72
Cash dividends declared per common share	2.090	2 030	1 975	1 925	1 870
Net income attributable to noncontrolling interests	12,050	9,682	7,794	7,668	6,707
Financial Position					
Total assets	$ 274,098	$ 225,222	$ 230,461	$ 220,005	$ 226,907
Debt maturing within one year	3,933	4,369	4,849	7,542	7,205
Long-term debt	89,658	47,618	50,303	45,252	55,051
Employee benefit obligations	27,682	34,346	32,957	28,164	32,622
Noncontrolling interests	56,580	52,376	49,938	48,343	42,761
Equity attributable to Verizon	38,836	33,157	35,970	38,569	41,382

- Significant events affecting our historical earnings trends in 2011 through 2013 are described in "Other Items" in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section
- 2010 and 2009 data includes severance, pension and benefit charges, merger integration and acquisition costs, dispositions and other items. 2010 data also includes Medicare Part D Subsidy charges

Comparison of Five-Year Total Return Among Verizon, S&P 500 Telecommunications Services Index and S&P 500 Stock Index



	At December 31,					
Data Points in Dollars	2008	2009	2010	2011	2012	2013
Verizon	100 0	103 8	127 9	151 3	171 2	202 8
S&P 500 Telecom Services	100 0	108 9	129 6	137 8	163 0	181 4
S&P 500	100 0	126 5	145 5	148 6	172 3	228 0

The graph compares the cumulative total returns of Verizon, the S&P 500 Telecommunications Services Index, and the S&P 500 Stock Index, over a five-year period. It assumes $100 was invested on December 31, 2008 with dividends (including the value of each respective spin-off) being reinvested

Verizon Communications Inc. (Verizon or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. Our offerings, designed to meet customers' demand for speed, mobility, security and control, include voice, data and video services on our wireless and wireline networks. We have two reportable segments, Wireless and Wireline. Our wireless business, operating as Verizon Wireless, provides voice and data services and equipment sales across the United States using one of the most extensive and reliable wireless networks. Our wireline business provides consumer, business and government customers with communications products and services, including broadband data and video services, network access, voice, long distance and other communications products and services, and also owns and operates one of the most expansive end-to-end global Internet Protocol (IP) networks. We have a highly skilled, diverse and dedicated workforce of approximately 176,800 employees as of December 31, 2013.

In recent years, Verizon has embarked upon a strategic transformation as advances in technology have changed the ways that our customers interact in their personal and professional lives, and that businesses operate. To meet the changing needs of our customers and address the changing technological landscape, we are focusing our efforts around higher margin and growing areas of our business: wireless data, wireline data and Strategic services, including cloud computing services.

Our strategy requires significant capital investments primarily to acquire wireless spectrum, put the spectrum into service, invest in the fiber optic network that supports our wireless and wireline businesses, maintain our wireless and wireline networks and develop and maintain significant advanced database capacity.

In our Wireless business, in 2013 compared to 2012, revenue growth of 6 8% was driven by connection growth and the demand for smartphones, tablets and other Internet devices. During 2013, we experienced a 4 6% increase in retail postpaid connections compared to 2012, with smartphones representing 70% of our retail postpaid phone base at December 31, 2013 compared to 58% at December 31, 2012. Also during 2013, postpaid smartphone activations represented 86% of phones activated compared to 77% in 2012.

We have substantially completed the deployment of our fourth-generation (4G) Long-Term Evolution (LTE) network. Our 4G LTE network is available to 97% of the U S. population in more than 500 markets covering approximately 305 million people, including those in areas served by our LTE in Rural America partners. Our 4G LTE network provides higher data throughput performance for data services at lower cost compared to those provided via third-generation (3G) networks. In December 2013, 69% of our total data traffic was carried on our 4G LTE network.

On February 13, 2014, we introduced our More Everything ® plans which replaced our Share Everything ® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among up to 10 devices connected to the Verizon Wireless network. Customers with Verizon Edge, which provides a device payment plan option, also will receive discounted monthly access fees on More Everything plans. As of December 31, 2013, Share Everything accounts represented approximately 46% of our retail postpaid accounts, compared to approximately 23% as of December 31, 2012. Verizon Wireless offers shared data plans for business, with the More Everything plans for Small Business and the Nationwide Business Data Packages and Plans. In August 2013, we launched the new Verizon Edge device payment plan option which now allows customers to trade in their phone for a new phone after a minimum of thirty days, subject to certain conditions.

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion. On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VF1 Inc.), which indirectly through certain subsidiaries (together with VF1 Inc., the Purchased Entities) owned the Vodafone Interest. The consideration paid was primarily comprised of cash of approximately $58 89 billion and Verizon common stock with a value of approximately $60 15 billion. See "Acquisitions and Divestitures" for additional information.

In Wireline, during 2013 compared to 2012, revenues were positively impacted by higher revenues in Consumer retail driven by FiOS services. FiOS represented approximately 71% of Consumer retail revenue during 2013, compared to approximately 65% during 2012. As the penetration of FiOS products increases, we continue to seek ways to increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are developed for this high-speed service, we expect that FiOS will become a hub for managing multiple home services that will eventually be part of the digital grid, including not just entertainment and communications, but also machine-to-machine communications such as home monitoring, health monitoring, energy management and utilities management.

Also positively impacting Wireline's revenues during 2013 was a 4 6% increase in Strategic services revenues, which represented 57% of total Global Enterprise revenues during 2013. However, total Global Enterprise and Global Wholesale revenues declined due to declines in Core customer premise equipment revenues and traditional voice revenues. The decline in Core customer premise equipment revenues is a result of our focus on improving our margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. To compensate for the shrinking market for traditional voice service, we continue to build our Wireline segment around data, video and advanced business services—areas where demand for reliable high-speed connections is growing.

We are investing in innovative technology like wireless networks, high-speed fiber and cloud services to position ourselves at the center of the growth trends of the future In addition to the Wireless Transaction, since the beginning of 2012 these investments have included acquisitions of wireless licenses of $4 9 billion We also have invested $1 4 billion in acquisitions of investments and businesses, which we expect will permit us to offer enhanced machine-to-machine, video and cloud-based products and services

By investing in our own capabilities, we are also investing in the markets we serve by providing our communities with an efficient, reliable infrastructure for competing in the information economy We are committed to putting our customers first and being a responsible member of our communities Guided by this commitment and by our core values of integrity, respect, performance excellence and accountability, we believe we are well-positioned to produce a long-term return for our shareowners create meaningful work for ourselves and provide something of lasting value for society

In the sections that follow, we provide information about the important aspects of our operations and investments, both at the consolidated and segment levels, and discuss our results of operations financial position and sources and uses of cash In addition, we highlight key trends and uncertainties to the extent practicable

Trends

We expect that competition will continue to intensify with traditional non-traditional and emerging service providers seeking increased market share We believe that our networks differentiate us from our competitors, enabling us to provide enhanced communications experiences to our customers We believe our focus on the fundamentals of running a good business, including operating excellence and financial discipline gives us the ability to plan and manage through changing economic conditions We will continue to invest for growth, which we believe is the key to creating value for our shareowners

Connection and Operating Trends

In our Wireless segment, we expect to continue to attract and maintain the loyalty of high-quality retail postpaid customers, capitalizing on demand for data services and bringing our customers new ways of using wireless services in their daily lives We expect that future connection growth will continue as we introduce new smartphones Internet devices such as tablets and our suite of 4G LTE devices We believe these devices will attract and retain higher value retail postpaid connections, contribute to continued increases in the penetration of data services and keep our device line-up competitive versus other wireless carriers We expect future growth opportunities will be dependent on expanding the penetration of our network services, offering innovative wireless devices for both consumer and business customers and increasing the number of ways that our customers can connect with our network and services

Service and equipment pricing play an important role in the wireless competitive landscape As the demand for wireless services continues to grow, wireless service providers are offering service plans that include unlimited voice minutes and text messages and a specific amount of data access in varying megabyte or gigabyte sizes or, in some cases, unlimited data usage Wireless service providers are also offering price plans that decouple service pricing from equipment pricing and blur the traditional boundary between prepaid and postpaid plans In addition, some wireless providers are offering a credit to new customers to reimburse early termination fees paid to their former wireless service provider, subject to certain limitations We seek to compete in this area by offering our customers services and equipment that they will regard as the best available value for the price, as well as service plans that meet their wireless service needs

In our Wireline segment, we have experienced continuing access line losses as customers have disconnected both primary and secondary lines and switched to alternative technologies such as wireless, voice over Internet protocol (VoIP) and cable for voice and data services We expect to continue to experience access line losses as customers continue to switch to alternate technologies

Despite this challenging environment we expect that we will continue to grow key aspects of our Wireline segment by providing network reliability, offering innovative product bundles that include broadband Internet access, digital television and local and long distance voice services, offering more robust IP products and service, and accelerating our cloud computing and machine-to-machine strategies We will also continue to focus on cost efficiencies to attempt to offset adverse impacts from unfavorable economic conditions and competitive pressures

Operating Revenue

We expect to experience service revenue growth in our Wireless segment in 2014, primarily as a result of continued growth in postpaid connections driven by increased sales of smartphones, tablets and other Internet devices We expect that retail postpaid average revenue per account (ARPA) will continue to increase as connections migrate from basic phones to smartphones and from our 3G network to our 4G LTE network, and as the average number of connections per account increases, which we expect to be driven by our More Everything plans that allow for the sharing of data among up to 10 devices We expect that our future service revenue growth will be substantially derived from an increase in the usage of innovative wireless smartphones, tablets and other Internet devices in addition to our pricing structure that will encourage customers to continue adding data-enabled devices onto existing accounts We expect that continued emphasis on increasing smartphone penetration including continuing to migrate customers from basic phones to smartphones and from 3G devices to 4G LTE devices will positively impact our revenue

We expect FiOS broadband and video penetration to positively impact our Mass Markets revenue and subscriber base We also expect Strategic services revenues to continue to grow as we derive additional enterprise revenues from cloud, security and other solutions-based services and customers continue to migrate their services to Private IP and other strategic networking services, although we have experienced decelerating revenue growth within our Strategic services business We believe the trend in these growth areas as well as our offerings in telematics and video streaming will help offset the continuing decline in revenues in our Wireline segment related to retail voice connection losses as a result of wireless substitution as well as the continued decline in our legacy wholesale and enterprise markets

Operating Costs and Expenses

We anticipate our overall wireless operating costs will increase as a result of the expected increase in the volume of smartphone sales, which will result in higher equipment and sales commission costs In addition we expect content costs for our FiOS video services to continue to increase However, we expect to achieve certain cost efficiencies in 2014 and beyond as data traffic continues to migrate to our lower-cost 4G LTE network and as we continue to streamline our business processes with a focus on improving productivity and increasing profitability

Capital Expenditures

Our 2014 capital program includes capital to fund advanced networks and services, including 4G LTE and FiOS, the continued expansion of our core networks, including our IP and data center enhancements, maintenance and support for our legacy voice networks and other expenditures to drive operating efficiencies The level and the timing of the Company's capital expenditures within these broad categories can vary significantly as a result of a variety of factors outside our control, including, for example, material weather events We are replacing copper wire with fiber-optic cable which will not alter our capital program but should result in lower maintenance costs in the future Capital expenditures were $16 6 billion in 2013 and $16 2 billion in 2012, respectively We believe that we have significant discretion over the amount and timing of our capital expenditures on a Company-wide basis as we are not subject to any agreement that would require significant capital expenditures on a designated schedule or upon the occurrence of designated events We expect capital expenditures in 2014 to be in the range of approximately $16 5 billion to $17 0 billion and we also expect our capital expenditures as a percentage of revenue to decline in 2014 from 2013 levels

Cash Flow from Operations

We create value for our shareowners by investing the cash flows generated by our business in opportunities and transactions that support continued profitable growth, thereby increasing customer satisfaction and usage of our products and services In addition, we have used our cash flows to maintain and grow our dividend payout to shareowners Verizon's Board of Directors increased the Company's quarterly dividend by 2 9% during 2013, making this the seventh consecutive year in which we have raised our dividend After the closing of the Wireless Transaction our Provision for income taxes is expected to increase due to our 100% ownership of Verizon Wireless We also expect our cash taxes paid to increase due to our 100% ownership of Verizon Wireless, and to a much lesser degree, due to bonus depreciation not being extended beyond December 31, 2013 Additionally, our Interest expense is expected to increase as a result of the debt issued to finance the Wireless Transaction As a result of these factors, we expect Cash Flows from Operations to be negatively impacted in 2014 Partially offsetting these negative impacts to Cash Flows from Operations will be the discontinuation of cash distributions from Verizon Wireless to Vodafone, which have historically reduced our Cash Flows from Financing Activities

Our goal is to use our cash to create long-term value for our shareholders We will continue to look for investment opportunities that will help us to grow the business We expect to use our cash to reduce our debt levels, pay dividends to our shareholders and, when appropriate, buy back shares of our outstanding common stock (see "Cash Flows from Financing Activities") and invest in spectrum licenses (see "Cash Flows from Investing Activities") During 2013, we purchased 3 50 million shares under our share buyback authorization There were no repurchases of common stock during 2012 or 2011

In this section, we discuss our overall results of operations and highlight items of a non-operational nature that are not included in our segment results We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services In "Segment Results of Operations" we review the performance of our two reportable segments

Corporate, eliminations and other includes unallocated corporate expenses such as certain pension and other employee benefit related costs, intersegment eliminations recorded in consolidation, the results of other businesses such as our investments in unconsolidated businesses, lease financing and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance We believe that this presentation assists users of our financial statements in better understanding our results of operations and trends from period to period

Consolidated Revenues

(dollars in millions)

Years Ended December 31,	2013	2012	2011	Increase/(Decrease) 2013 vs 2012		Increase/(Decrease) 2012 vs 2011	
Wireless							
Service revenue	$ 69,033	$ 63,733	$ 59,157	$ 5,300	8.3%	$ 4,576	7 7%
Equipment and other	11,990	12,135	10,997	(145)	(1 2)	1,138	10 3
Total	81,023	75,868	70 154	5,155	6.8	5,714	8 1
Wireline							
Mass Markets	17,328	16,702	16,337	626	3.7	365	2 2
Global Enterprise	14,703	15,299	15,622	(596)	(3 9)	(323)	(2 1)
Global Wholesale	6,714	7,240	7,973	(526)	(7.3)	(733)	(9 2)
Other	478	539	750	(61)	(11.3)	(211)	(28 1)
Total	39,223	39,780	40,682	(557)	(1.4)	(902)	(2 2)
Corporate, eliminations and other	304	198	39	106	53.5	159	nm
Consolidated Revenues	$ 120,550	$ 115,846	$ 110,875	$ 4,704	4.1	$ 4,971	4 5

nm – not meaningful

2013 Compared to 2012

The increase in consolidated revenues during 2013 compared to 2012 was primarily due to higher revenues at Wireless, as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise at our Wireline segment Partially offsetting these increases were lower Global Enterprise Core and Global Wholesale revenues at our Wireline segment

Wireless' revenues increased $5 2 billion or 6 8%, during 2013 compared to 2012 due to growth in service revenue Service revenue increased during 2013 compared to 2012 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of smartphones, tablets and other Internet devices through our Share Everything plans Retail postpaid connection net additions decreased during 2013 compared to 2012 primarily due to an increase in our retail postpaid connection churn rate, partially offset by an increase in retail postpaid connection gross additions Retail postpaid connections per account increased as of December 31, 2013 compared to December 31, 2012 primarily due to the increased penetration of tablets and other Internet devices

Wireline's revenues decreased $0 6 billion, or 1 4%, during 2013 compared to 2012 primarily driven by declines in Global Enterprise Core and Global Wholesale, partially offset by higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise

Mass Markets revenues increased $0 6 billion, or 3 7%, during 2013 compared to 2012 due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues

Global Enterprise revenues decreased $0 6 billion, or 3 9%, during 2013 compared to 2012 primarily due to a decline in Core customer premise equipment revenues and lower voice services and data networking revenues This decrease was partially offset by growth in Strategic services revenues, primarily due to an increase in advanced services such as contact center solutions IP communications, and our cloud and data center offerings as well as revenue from a telematics services business that we acquired in the third quarter of 2012

Global Wholesale revenues decreased $0 5 billion or 7 3%, during 2013 compared to 2012 primarily due to a decline in traditional voice revenues as a result of decreased minutes of use (MOUs) and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers

Other revenues decreased during 2013 compared to 2012 primarily due to reduced volumes outside of our network footprint

2012 Compared to 2011

The increase in consolidated revenues during 2012 compared to 2011 was primarily due to higher revenues at Wireless, as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise at our Wireline segment Partially offsetting these increases were lower Global Wholesale and Global Enterprise Core revenues at our Wireline segment

Wireless' revenues increased during 2012 compared to 2011 due to growth in both service and equipment and other revenue Service revenue increased during 2012 compared to 2011 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections of 5 1 million in 2012, as well as the continued increase in penetration of smartphones Retail postpaid connections per account increased during 2012 compared to 2011 primarily due to the increased use of tablets and other Internet devices In 2012, the increase in retail postpaid connection net additions was primarily due to an increase in retail postpaid and prepaid connection gross additions and improvements in our retail connections churn rate Higher retail postpaid connection gross additions during 2012 primarily reflect the launch of our Share Everything plans coupled with new device introductions during the second half of 2012

Equipment and other revenue increased during 2012 compared to 2011 primarily due to an increase in device upgrade fees, regulatory fees and equipment sales

Wireline's revenues decreased during 2012 compared to 2011 primarily driven by declines in Global Wholesale, Global Enterprise Core and Other revenues, partially offset by higher revenues in Mass Markets driven by FiOS services and higher revenues from Strategic services

Mass Markets revenues increased during 2012 compared to 2011 due to the expansion of FiOS services as well as changes in our pricing strategy adopted in 2012, partially offset by the continued decline of local exchange revenues

Global Enterprise revenues decreased during 2012 compared to 2011 primarily due to lower local services and traditional circuit-based revenues, a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation This decrease was partially offset by higher Strategic services revenues, primarily due to growth in advanced services, such as managed network solutions, contact center solutions, IP communications and our cloud and data center offerings

Global Wholesale revenues decreased during 2012 compared to 2011 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers

Other revenues decreased during 2012 compared to 2011 primarily due to reduced volumes outside of our network footprint

Consolidated Operating Expenses

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Cost of services and sales	$ 44,887	$ 46,275	$ 45,875	$ (1,388)	(3.0)%	$ 400	0 9%
Selling, general and administrative expense	27,089	39,951	35,624	(12,862)	(32.2)	4,327	12 1
Depreciation and amortization expense	16,606	16,460	16,496	146	0 9	(36)	(0.2)
Consolidated Operating Expenses	$ 88,582	$102,686	$ 97,995	$ (14,104)	(13.7)	$ 4,691	4 8

Consolidated operating expenses decreased during 2013 primarily due to non-operational credits recorded in 2013 as well as non-operational charges recorded in 2012 (see "Other Items") Consolidated operating expenses increased during 2012 primarily due to higher non-operational charges (see ' Other Items") as well as increased operating expenses at Wireless

2013 Compared to 2012

Cost of Services and Sales

Cost of services and sales includes the following costs directly attributable to a service or product salaries and wages, benefits, materials and supplies, content costs, contracted services, network access and transport costs, wireless equipment costs, customer provisioning costs, computer systems support, costs to support our outsourcing contracts and technical facilities and contributions to the Universal Service Fund Aggregate customer care costs which include billing and service provisioning, are allocated between Cost of services and sales and Selling, general and administrative expense

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in cost of equipment sales, decreased data roaming, a decline in cost of data services and a decrease in network connection costs at our Wireless segment, as well as a decrease in costs related to customer premise equipment, a decline in access costs and the net effect of storm-related insurance recoveries at our Wireline segment Partially offsetting these decreases were higher content costs associated with continued FiOS subscriber growth and vendor rate increases at our Wireline segment, as well as increases in cost of network services at our Wireless segment

Selling, General and Administrative Expense

Selling general and administrative expense includes salaries and wages and benefits not directly attributable to a service or product, bad debt charges, taxes other than income taxes, advertising and sales commission costs, customer billing, call center and information technology costs regulatory fees, professional service fees, and rent and utilities for administrative space Also included are a portion of the aggregate customer care costs as discussed in ' Cost of Services and Sales" above

Selling, general and administrative expense decreased during 2013 compared to 2012 primarily due to the non-operational credits recorded in 2013 and declines in employee costs at our Wireline segment as well as the non-operational charges recorded in 2012 (see ' Other Items") This decrease was partially offset by higher sales commission expense at our Wireless segment

Depreciation and Amortization Expense

Depreciation and amortization expense increased during 2013 compared to 2012 primarily due to an increase in net depreciable assets at our Wireless segment and an increase in amortization expense at our Wireline segment These increases were partially offset by a decline in net depreciable assets at our Wireline segment

2012 Compared to 2011

Cost of Services and Sales

Cost of services and sales increased during 2012 compared to 2011 primarily due to higher cost of equipment sales, increased cost of network services and increased data roaming, partially offset by a decrease in cost for data services, a decrease in network connection costs and a decrease in the cost of long distance at our Wireless segment Also contributing to the increase were higher content costs associated with continued FiOS subscriber growth and vendor rate increases, increased expenses related to our cloud and data center offering, higher costs related to FiOS installation as well as higher repair and maintenance expenses caused by storm-related events in 2012, partially offset by declines in access costs and customer premise equipment costs at our Wireline segment

Selling, General and Administrative Expense

Selling general and administrative expense increased during 2012 compared to 2011 primarily due to higher non-operational charges (see "Other Items") as well as higher sales commission expense and costs associated with regulatory fees at our Wireless segment

Depreciation and Amortization Expense

Depreciation and amortization expense decreased during 2012 compared to 2011 primarily due to a decrease in depreciable assets at our Wireline segment, partially offset by an increase in amortization expense related to non-network software

Non-operational (Credits) Charges

Non-operational (credits) charges included in operating expenses (see "Other Items") were as follows

Years Ended December 31,	2013	2012	(dollars in millions) 2011
Gain on Spectrum License Transaction			
Selling general and administrative expense	$ (278)	$ –	$ –
Severance, Pension and Benefit (Credits) Charges			
Selling general and administrative expense	(6,232)	7,186	5,954
Litigation Settlements			
Selling general and administrative expense	–	384	–
Other Costs			
Cost of services and sales	–	40	–
Selling general and administrative expense	–	236	–
	–	276	–
Total non-operating (credits) charges included in operating expenses	$ (6,510)	$ 7,846	$ 5,954

See "Other Items" for a description of other non-operational items

Consolidated Operating Income and EBITDA

Consolidated earnings before interest, taxes depreciation and amortization expenses (Consolidated EBITDA) and Consolidated Adjusted EBITDA, which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors Consolidated EBITDA is calculated by adding back interest taxes, depreciation and amortization expense, equity in earnings of unconsolidated businesses and other income and (expense), net to net income

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items from the calculation of Consolidated EBITDA Management believes that this measure provides additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance See "Other Items" for additional details regarding these non-operational items

Operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions The adjustment has been recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses

It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information, and it should be considered by the reader in addition to but not instead of, the financial statements prepared in accordance with GAAP Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure The non-GAAP financial information presented may be determined or calculated differently by other companies

			(dollars in millions)
Years Ended December 31	2013	2012	2011
Consolidated Operating Income	**$ 31,968**	$ 13,160	$ 12,880
Add Depreciation and amortization expense	**16,606**	16,460	16,496
Consolidated EBITDA	**48,574**	29,620	29,376
Add (Less) Non-operating (credits) charges included in operating expenses	**(6,510)**	7,846	5,954
Consolidated Adjusted EBITDA	**$ 42,064**	$ 37,466	$ 35,330

The changes in Consolidated Operating Income Consolidated EBITDA and Consolidated Adjusted EBITDA in the table above were primarily a result of the factors described in connection with operating revenues and operating expenses

Other Consolidated Results

Equity in Earnings of Unconsolidated Businesses

Equity in earnings of unconsolidated businesses decreased $182 million, or 56 2% in 2013 compared to 2012 primarily due to lower earnings from operations at Vodafone Omnitel N V (Vodafone Omnitel) The decrease during 2013 was partially offset by an immaterial gain recorded by Verizon Wireless upon obtaining control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated

Equity in earnings of unconsolidated businesses decreased $120 million, or 27 0%, in 2012 compared to 2011 primarily due to lower earnings from operations at Vodafone Omnitel and, to a lesser extent, the devaluation of the Euro against the U S dollar

As part of the consideration of the Wireless Transaction a subsidiary of Verizon sold its entire ownership interest in Vodafone Omnitel to a subsidiary of Vodafone on February 21, 2014

Other Income and (Expense), Net

Additional information relating to Other income and (expense), net is as follows

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Interest income	$ 64	$ 57	$ 68	$ 7	12.3%	$ (11)	(16.2)%
Other, net	(230)	(1,073)	(82)	843	(78.6)	(991)	nm
Total	$ (166)	$ (1,016)	$ (14)	$ 850	(83 7)	$ (1,002)	nm

nm – not meaningful

Other income and (expense), net decreased during 2013 compared to 2012 primarily due to fees of $1 1 billion incurred in 2012 related to the early redemption of debt, partially offset by $0 2 billion of fees incurred during the fourth quarter of 2013 as a result of the termination of a bridge credit agreement upon the effectiveness of a term loan agreement (see "Other Items")

Other income and (expense), net increased during 2012 compared to 2011 primarily driven by higher fees of $1 1 billion related to the early redemption of debt (see "Other Items")

Interest Expense

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Total interest costs on debt balances	$ 3,421	$ 2,977	$ 3,269	$ 444	14 9%	$ (292)	(8 9)%
Less Capitalized interest costs	754	406	442	348	85 7	(36)	(8 1)
Total	$ 2,667	$ 2,571	$ 2,827	$ 96	3 7	$ (256)	(9 1)
Average debt outstanding	$65,959	$52,949	$55,629				
Effective interest rate	5.2%	5 6%	5 9%				

Total interest costs on debt balances increased during 2013 compared to 2012 primarily due to the issuance of $49 0 billion of fixed and floating rate notes to finance the Wireless Transaction (see "Acquisitions and Divestitures") resulting in an increase in average debt as well as an incremental increase in interest expense of $0 7 billion partially offset by a lower effective interest rate (see "Consolidated Financial Condition") Capitalized interest costs were higher in 2013 primarily due to increases in wireless licenses that are currently under development

Total interest costs on debt balances decreased during 2012 compared to 2011 primarily due to a $2 7 billion decrease in average debt (see "Consolidated Financial Condition") and a lower effective interest rate Capitalized interest costs were lower in 2012 primarily due to our ongoing deployment of the 4G LTE network

Provision (Benefit) for Income Taxes

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Provision (Benefit) for income taxes	$ 5,730	$ (660)	$ 285	$ 6,390	nm	$ (945)	nm
Effective income tax rate	19 6 %	(6 7)%	2 7 %				

nm – not meaningful

The effective income tax rate is calculated by dividing the provision for income taxes by income before the provision for income taxes Our effective income tax rate is significantly lower than the statutory federal income tax rate for all years presented due to the inclusion of income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership within our income before the provision for income taxes In 2013 and 2011, we recorded a tax provision on income before the provision for income taxes and when we included the income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership in our income before the provision for income taxes it resulted in our effective income tax rate being 13 7 percentage points lower during 2013 and 7 9 percentage points lower during 2011 In 2012, we recorded a tax benefit on income before the provision for income taxes, which resulted in a negative effective income tax rate In this circumstance, including the income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership in our income before the provision for income taxes resulted in our negative effective tax rate being 300 3 percentage points higher during 2012

Verizon completed the acquisition of Vodafone's 45% indirect ownership interest in Verizon Wireless on February 21, 2014 Our provision for income taxes and effective income tax rate subsequent to the closing will reflect the change in Verizon's ownership interest in Verizon Wireless Our provision for income taxes and effective income tax rate will increase subsequent to the closing due to the inclusion of the provision for income taxes previously attributable to Vodafone's ownership interest

The effective income tax rate for 2013 was 19 6% compared to (6 7)% for 2012 The increase in the effective income tax rate and provision for income taxes was primarily due to higher income before income taxes as a result of severance, pension and benefit credits recorded during 2013 compared to lower income before income taxes as a result of severance, pension and benefit charges as well as early debt redemption costs recorded during 2012

The effective income tax rate for 2012 was (6 7)% compared to 2 7% for 2011 The negative effective income tax rate for 2012 and the decrease in the provision for income taxes during 2012 compared to 2011 was primarily due to lower income before income taxes as a result of higher severance pension, and benefit charges as well as early debt redemption costs recorded during 2012

A reconciliation of the statutory federal income tax rate to the effective income tax rate for each period is included in Note 12 to the consolidated financial statements

Net Income Attributable to Noncontrolling Interests

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Net income attributable to noncontrolling interests	$ 12,050	$ 9,682	$ 7,794	$ 2,368	24 5 %	$ 1,888	24 2 %

The increases in Net income attributable to noncontrolling interests during 2013 compared to 2012 and 2012 compared to 2011 were due to higher earnings in our Verizon Wireless segment, which had a 45% noncontrolling partnership interest attributable to Vodafone as of December 31, 2013

We expect Net income attributable to noncontrolling interests to decline substantially in 2014 as a result of the Wireless Transaction (see "Acquisitions and Divestitures") The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnerships

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services We measure and evaluate our reportable segments based on segment operating income The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance

Segment earnings before interest, taxes, depreciation and amortization (Segment EBITDA), which is presented below, is a non-GAAP measure and does not purport to be an alternative to operating income as a measure of operating performance Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions that occurred in prior years as well as in evaluating operating performance in relation to our competitors Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income

Wireless Segment EBITDA service margin, also presented below, is calculated by dividing Wireless Segment EBITDA by Wireless service revenues Wireless Segment EBITDA service margin utilizes service revenues rather than total revenues Service revenues primarily exclude equipment revenues in order to reflect the impact of providing service to the wireless customer base on an ongoing basis Wireline EBITDA margin is calculated by dividing Wireline EBITDA by total Wireline revenues You can find additional information about our segments in Note 13 to the consolidated financial statements

Wireless

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. Verizon Wireless provides wireless communications services across one of the most extensive wireless networks in the United States. As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, the Wireless Transaction was completed, and Verizon acquired 100% ownership of Verizon Wireless.

We provide these services and equipment sales to consumer, business and government customers in the United States on a postpaid and prepaid basis. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance, and usage beyond the allowance is billed monthly in arrears. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

All financial results included in the tables below reflect the consolidated results of Verizon Wireless.

Operating Revenues and Selected Operating Statistics

(dollars in millions, except ARPA)

				Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Retail service	$ 66,334	$ 61,440	$ 56,660	$ 4,894	8.0%	$ 4,780	8.4%
Other service	2,699	2,293	2,497	406	17.7	(204)	(8.2)
Service revenue	69,033	63,733	59,157	5,300	8.3	4,576	7.7
Equipment and other	11,990	12,135	10,997	(145)	(1.2)	1,138	10.3
Total Operating Revenues	$ 81,023	$ 75,868	$ 70,154	$ 5,155	6.8	$ 5,714	8.1
Connections ('000) [1]							
Retail connections	102,799	98,230	92,167	4,569	4.7	6,063	6.6
Retail postpaid connections	96,752	92,530	87,382	4,222	4.6	5,148	5.9
Net additions in period ('000) [2]							
Retail connections	4,472	5,917	4,624	(1,445)	(24.4)	1,293	28.0
Retail postpaid connections	4,118	5,024	4,252	(906)	(18.0)	772	18.2
Churn Rate							
Retail connections	1.27%	1.19%	1.26%				
Retail postpaid connections	0.97%	0.91%	0.95%				
Account Statistics							
Retail postpaid ARPA	$ 153.93	$ 144.04	$ 134.51	$ 9.89	6.9	$ 9.53	7.1
Retail postpaid accounts ('000) [1]	35,083	35,057	34,561	26	0.1	496	1.4
Retail postpaid connections per account [1]	2.76	2.64	2.53	0.12	4.5	0.11	4.3

[1] As of end of period

[2] Excluding acquisitions and adjustments

2013 Compared to 2012

The increase in Wireless' total operating revenues of $5.2 billion, or 6.8%, during 2013 compared to 2012 was primarily the result of growth in service revenue.

Accounts and Connections

Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Accounts include Share Everything plans and corporate accounts, as well as legacy single connection plans and family plans. A single account may receive monthly wireless services for a variety of connected devices. Retail connections represent our retail customer device connections. Churn is the rate at which service to connections is terminated.

Retail connections under an account may include smartphones, basic phones, tablets and other Internet devices, as well as Home Phone Connect and Home Fusion. We expect to continue to experience retail connection growth based on the strength of our product offerings and network service quality.

Retail postpaid connection net additions decreased during 2013 compared to 2012 primarily due to an increase in our retail postpaid connection churn rate, partially offset by an increase in retail postpaid connection gross additions.

Retail Postpaid Connections per Account

Retail postpaid connections per account is calculated by dividing the total number of retail postpaid connections by the number of retail postpaid accounts as of the end of the period. Retail postpaid connections per account increased 4.5% as of December 31, 2013 compared to December 31, 2012 primarily due to the increased penetration of tablets and other Internet devices.

Service Revenue

Service revenue increased $5.3 billion, or 8.3%, during 2013 compared to 2012 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of smartphones, tablets and other Internet devices through our Share Everything plans. The penetration of smartphones was driven by the activation of smartphones by new customers as well as existing customers migrating from basic phones to smartphones.

The increase in retail postpaid ARPA (the average revenue per account from retail postpaid accounts) during 2013 compared to 2012 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. As of December 31, 2013, we experienced a 4.5% increase in retail postpaid connections per account compared to 2012, with smartphones representing 70% of our retail postpaid phone base as of December 31, 2013 compared to 58% as of December 31, 2012. The increased penetration in retail postpaid connections per account is primarily due to increases in Internet data devices, which represented 10.7% of our retail postpaid connection base as of December 31, 2013 compared to 9.3% as of December 31, 2012, primarily due to activations of tablets and other Internet devices. Additionally, during 2013, postpaid smartphone activations represented 86% of phones activated compared to 77% during 2012.

Other service revenue increased during 2013 compared to 2012 due to growth in wholesale connections, partially offset by a decrease in revenue related to third party roaming.

Equipment and Other Revenue

Equipment and other revenue decreased during 2013 compared to 2012 as a decline in regulatory fees was partially offset by an increase in revenue related to upgrade fees.

2012 Compared to 2011

The increase in Wireless' total operating revenues during 2012 compared to 2011 was the result of growth in both service and equipment and other revenue.

Accounts and Connections

Retail connection net additions increased during 2012 compared to 2011 primarily due to an increase in retail postpaid and prepaid connection gross additions and improvements in our retail connections churn rate. Higher retail postpaid connection gross additions during 2012 primarily reflected the launch of our Share Everything plans coupled with new device introductions during the second half of 2012.

Retail Postpaid Connections per Account

Retail postpaid connections per account increased during 2012 compared to 2011 primarily due to the increased use of tablets and other Internet devices.

Service Revenue

Service revenue increased during 2012 compared to 2011 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections of 5.1 million in 2012, as well as the continued increase in penetration of smartphones. This increased penetration also contributed to the increase in our retail postpaid ARPA.

The increase in retail postpaid ARPA during 2012 compared to 2011 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. During 2012, we experienced a 4.3% increase in retail postpaid connections per account compared to 2011, with smartphones representing 58% of our retail postpaid phone base as of December 31, 2012 compared to 43.5% as of December 31, 2011. The increase in retail postpaid connections per account was primarily due to increases in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to 8.1% as of December 31, 2011 primarily due to strong sales of tablets and Jetpacks™.

Other service revenue decreased during 2012 compared to 2011 primarily as a result of a decrease in third party roaming revenue.

Equipment and Other Revenue

Equipment and other revenue increased during 2012 compared to 2011 primarily due to increases in device upgrade fees, regulatory fees and equipment sales

Operating Expenses

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs. 2012		2012 vs 2011	
Cost of services and sales	$ 23,648	$ 24,490	$ 24,086	$ (842)	(3.4)%	$ 404	1 7%
Selling general and administrative expense	23,176	21,650	19,579	1,526	7.0	2,071	10 6
Depreciation and amortization expense	8,202	7,960	7,962	242	3 0	(2)	–
Total Operating Expenses	$ 55,026	$ 54,100	$ 51,627	$ 926	1 7	$ 2,473	4 8

Cost of Services and Sales

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in cost of equipment sales of $0 4 billion, which was partially due to a decline in postpaid upgrades, decreased data roaming, a decline in cost of data services and a decrease in network connection costs due to the deployment of Ethernet backhaul facilities primarily targeted at sites upgrading to 4G LTE, partially offset by an increase in cost of network services

Cost of services and sales increased during 2012 compared to 2011 primarily due to $0 7 billion in higher cost of equipment sales, which was driven by increased sales of higher cost smartphones, increased cost of network services and increased data roaming, partially offset by a decrease in cost for data services, a decrease in network connection costs due to the ongoing deployment of Ethernet backhaul facilities primarily targeted at sites upgrading to 4G LTE and a decrease in the cost of long distance

Selling, General and Administrative Expense

Selling general and administrative expense increased during 2013 compared to 2012 primarily due to higher sales commission expense in our indirect channel Indirect sales commission expense increased $1 1 billion during 2013 compared to 2012 primarily as a result of increases in indirect gross additions and upgrades, as well as the average commission per unit, as the mix of units continues to shift toward smartphones and more customers activate data services

Selling general and administrative expense increased during 2012 compared to 2011 primarily due to higher sales commission expense in our indirect channel as well as costs associated with regulatory fees Indirect sales commission expense increased $1 3 billion during 2012 compared to 2011 primarily as a result of increases in the average commission per unit, as the mix of units continued to shift toward smartphones and more customers activated data services

Depreciation and Amortization Expense

The increase in depreciation and amortization expense during 2013 compared to 2012 was primarily driven by an increase in net depreciable assets Depreciation and amortization expense was essentially unchanged during 2012 compared to 2011

Segment Operating Income and EBITDA

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Segment Operating Income	$ 25,997	$ 21,768	$ 18,527	$ 4,229	19 4%	$ 3,241	17 5%
Add Depreciation and amortization expense	8,202	7,960	7,962	242	3.0	(2)	–
Segment EBITDA	$ 34,199	$ 29,728	$ 26,489	$ 4,471	15.0	$ 3,239	12.2
Segment operating income margin	32 1%	28 7%	26 4%				
Segment EBITDA service margin	49.5%	46 6%	44 8%				

The changes in the table above during the periods presented were primarily a result of the factors described in connection with operating revenues and operating expenses

Non-recurring or non-operational items excluded from Wireless' Operating income were as follows

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Gain on spectrum license transaction	$ (278)	$ –	$ –
Severance, pension and benefit (credits) charges	(61)	37	76
	$ (339)	$ 37	$ 76

Wireline

Our Wireline segment provides voice data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world

Operating Revenues and Selected Operating Statistics

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs. 2012		2012 vs 2011	
Consumer retail	$ 14,737	$ 14,043	$ 13,606	$ 694	4 9%	$ 437	3 2%
Small business	2,591	2 659	2,731	(68)	(2.6)	(72)	(2 6)
Mass Markets	17,328	16,702	16,337	626	3.7	365	2 2
Strategic services	8,420	8,052	7,575	368	4 6	477	6 3
Core	6,283	7,247	8,047	(964)	(13.3)	(800)	(9 9)
Global Enterprise	14,703	15,299	15,622	(596)	(3 9)	(323)	(2 1)
Global Wholesale	6,714	7,240	7,973	(526)	(7.3)	(733)	(9 2)
Other	478	539	750	(61)	(11.3)	(211)	(28 1)
Total Operating Revenues	$ 39,223	$ 39,780	$ 40,682	$ (557)	(1 4)	$ (902)	(2 2)
Connections (000) [1]							
Total voice connections	21,085	22,503	24 137	(1,418)	(6.3)	(1,634)	(6 8)
Total Broadband connections	9,015	8,795	8,670	220	2.5	125	1 4
FiOS Internet subscribers	6,072	5,424	4,817	648	11.9	607	12 6
FiOS Video subscribers	5,262	4,726	4,173	536	11.3	553	13 3

[1] As of end of period

Wireline's revenues decreased $0 6 billion, or 1 4%, during 2013 compared to 2012 primarily driven by declines in Global Enterprise Core and Global Wholesale, partially offset by higher Consumer retail revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers

2013 Compared to 2012

Mass Markets revenues increased $0 6 billion, or 3 7%, during 2013 compared to 2012 primarily due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategies partially offset by the continued decline of local exchange revenues

During 2013, we grew our subscriber base by 0 6 million FiOS Internet subscribers and by 0 5 million FiOS Video subscribers, while also consistently improving penetration rates within our FiOS service areas As of December 31, 2013, we achieved penetration rates of 39 5% and 35 0% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 37.3% and 33 3% for FiOS Internet and FiOS Video, respectively, at December 31, 2012

The increase in Mass Markets revenues driven by FiOS services was partially offset by the decline of local exchange revenues primarily due to a 5 2% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, VoIP, broadband and cable services Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections There was also a decline in Small business retail voice connections primarily reflecting competition and a shift to both IP and high-speed circuits

2012 Compared to 2011

Mass Markets revenues increased during 2012 compared to 2011 primarily due to the expansion of FiOS services (Voice Internet and Video) as well as changes in our pricing strategy adopted in 2012, partially offset by the continued decline of local exchange revenues

We continued to grow our subscriber base and improved penetration rates within our FiOS service areas during 2012. Also contributing to the increase in revenue from FiOS services were changes in our pricing strategy adopted in 2012. As of December 31, 2012, we achieved penetration rates of 37.3% and 33.3% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 35.5% and 31.5% for FiOS Internet and FiOS Video, respectively, at December 31, 2011.

Mass Markets revenues were negatively impacted by the decline of local exchange revenues primarily due to a 6.1% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, VoIP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections, primarily reflecting challenging economic conditions, competition and a shift to both IP and high-speed circuits.

Global Enterprise

Global Enterprise offers Strategic services including network products and solutions, advanced communications services, and other core communications services to medium and large business customers, multinational corporations and state and federal government customers.

2013 Compared to 2012

Global Enterprise revenues decreased $0.6 billion, or 3.9%, during 2013 compared to 2012 primarily due to a $0.5 billion, or 27.1%, decline in Core customer premise equipment revenues as well as lower voice services and data networking revenues, which consist of traditional circuit-based services such as frame relay, private line and Asynchronous Transfer Mode (ATM) services. These core services declined in 2013 compared to 2012 as our customer base continued to migrate to next generation IP services. The decline in customer premise equipment revenues reflected our focus on improving margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. The decline is also due to lower revenue from public sector customers. This decrease was partially offset by growth in Strategic services revenues, which increased $0.4 billion, or 4.6%, during 2013 compared to 2012 primarily due to growth in advanced services, such as contact center solutions, IP communications and our cloud and data center offerings, as well as revenue from a telematics services business that we acquired in the third quarter of 2012.

2012 Compared to 2011

Global Enterprise revenues decreased during 2012 compared to 2011 primarily due to lower local services and traditional circuit-based revenues, a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation. Core services declined compared to the similar period in 2011 as our customer base continued to migrate to next generation IP services. The decline in customer premise equipment revenues, reflected our focus on improving margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. This decrease was partially offset by higher Strategic services revenues. Strategic services revenues increased primarily due to growth in advanced services, such as managed network solutions, contact center solutions, IP communications and our cloud and data center offerings.

Global Wholesale

Global Wholesale provides communications services including data, voice and local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers.

2013 Compared to 2012

Global Wholesale revenues decreased $0.5 billion, or 7.3%, during 2013 compared to 2012 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a 5.2% decline in domestic wholesale connections. The traditional voice product reductions are primarily due to competitors de-emphasizing their local market initiatives coupled with the effect of technology substitution. Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers. As a result of the customer upgrades, the number of core data circuits experienced an 11.3% decline compared to the similar period in 2012.

2012 Compared to 2011

Global Wholesale revenues decreased during 2012 compared to 2011 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a 5.3% decline in domestic wholesale connections. The traditional voice product reductions are primarily due to the continued impact of competitors de-emphasizing their local market initiatives coupled with the impact of technology substitution. Also contributing to the decline in voice revenues is the elimination of low margin international products and the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers. As a result of the customer upgrades, the number of core data circuits experienced a 9.6% decline compared to the similar period in 2011. We expect Global Wholesale revenue to continue to decline approximately 10% per quarter compared to the similar period in 2011, as we believe that the continued decline in core products will only be partially offset by growth in Ethernet and IP services.

Other

Other revenues include such services as local exchange and long distance services outside of our network footprint and operator services which are no longer being marketed. The decrease in revenues from other services during 2013 and 2012 was primarily due to reduced volumes outside of our network footprint.

Operating Expenses

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Cost of services and sales	$ 21,928	$ 22,413	$ 22,158	$ (485)	(2.2)%	$ 255	1.2%
Selling, general and administrative expense	8,595	8,883	9,107	(288)	(3.2)	(224)	(2.5)
Depreciation and amortization expense	8,327	8,424	8,458	(97)	(1.2)	(34)	(0.4)
Total Operating Expenses	$ 38,850	$ 39,720	$ 39,723	$ (870)	(2.2)	$ (3)	–

Cost of Services and Sales

Cost of services and sales decreased during 2013 compared to 2012, primarily due to a decrease in costs related to customer premise equipment which reflected our focus on improving margins by de-emphasizing sales of equipment that are not part of an overall enterprise solutions bundle, a decline in access costs resulting primarily from declines in overall wholesale long distance volumes and the net effect of storm-related insurance recoveries. These decreases were partially offset by higher content costs associated with continued FiOS subscriber growth and vendor rate increases.

Cost of services and sales increased during 2012 compared to 2011, primarily due to higher content costs associated with continued FiOS subscriber growth and vendor rate increases and increased expenses related to our cloud and data center offerings. Cost of services and sales was also impacted by higher costs related to FiOS installation, as well as higher repair and maintenance expenses caused by storm-related events in 2012 compared to 2011. The increases were partially offset by a decline in access costs primarily from management actions to reduce exposure to unprofitable international wholesale routes and declines in overall wholesale long distance volumes. Costs related to customer premise equipment also decreased, which reflected our focus on improving margins by de-emphasizing sales of equipment that are not part of an overall enterprise solutions bundle.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased during 2013 compared to 2012 primarily due to declines in employee costs, primarily as a result of reduced headcount, and declines in rent expenses, partially offset by higher transaction and property tax expenses.

Selling, general and administrative expense decreased during 2012 compared to 2011 primarily due to lower allocations related to centralized administrative functions, and to a lesser extent, lower property and transaction tax expenses and employee costs.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased during 2013 compared to 2012, as well as 2012 compared to 2011, due to decreases in net depreciable assets, partially offset by an increase in amortization expense related to non-network software.

Segment Operating Income and EBITDA

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Segment Operating Income	$ 373	$ 60	$ 959	$ 313	nm	$ (899)	(93.7)%
Add Depreciation and amortization expense	8,327	8,424	8,458	(97)	(1.2)%	(34)	(0.4)
Segment EBITDA	$ 8,700	$ 8,484	$ 9,417	$ 216	2.5	$ (933)	(9.9)
Segment operating income margin	1.0%	0.2%	2.4%				
Segment EBITDA margin	22.2%	21.3%	23.1%				

nm – not meaningful

The changes in Wireline's Operating income, Segment EBITDA and Segment EBITDA margin during the periods presented were primarily a result of the factors described in connection with operating revenues and operating expenses.

During 2012, $0.1 billion of non-recurring or non-operational items were excluded from Wireline's Operating income.

Gain on Spectrum License Transaction

During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1 9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0 2 billion As a result we received $0 5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0 3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31 2013

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the gain on the spectrum license transaction described above

Wireless Transaction Costs

During 2013, as a result of the Wireless Transaction, we recorded costs of $0 9 billion primarily for interest expense of $0 7 billion related to the issuance of the new notes, as well as $0 2 billion in fees primarily in connection with the bridge credit agreement (see "Consolidated Financial Condition").

Severance, Pension and Benefit (Credits) Charges

During 2013, we recorded net pre-tax severance pension and benefits credits of approximately $6 2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The credits were primarily driven by an increase in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4 2% at December 31, 2012 to a weighted-average of 5 0% at December 31, 2013 ($4 3 billion), lower than assumed retiree medical costs and other assumption adjustments ($1 4 billion) and the difference between our estimated return on assets of 7 5% at December 31, 2012 and our actual return on assets of 8 6% at December 31, 2013 ($0 5 billion)

During 2012, we recorded net pre-tax severance, pension and benefits charges of approximately $7.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from a weighted-average of 5% at December 31 2011 to a weighted-average of 4 2% at December 31, 2012 ($5 3 billion) and revisions to the retirement assumptions for participants and other assumption adjustments, partially offset by the difference between our estimated return on assets of 7 5% and our actual return on assets of 10% ($0 7 billion) As part of this charge we also recorded $1 0 billion related to the annuitization of pension liabilities (see "Employee Benefit Plan Funded Status and Contributions") as well as severance charges of $0 4 billion primarily for approximately 4 000 management employees

During 2011, we recorded net pre-tax severance, pension and benefits charges of approximately $6 0 billion for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from 5 75% at December 31, 2010 to 5% at December 31, 2011 ($5 0 billion) the difference between our estimated return on assets of 8% and our actual return on assets of 5% ($0 9 billion), and revisions to the life expectancy of participants and other adjustments to assumptions

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the severance, pension and benefit (credits) charges presented above

Early Debt Redemption and Other Costs

During November 2012, we recorded debt redemption costs of $0 8 billion in connection with the purchase of $0 9 billion of the $1 25 billion of 8 95% Verizon Communications Notes due 2039 in a cash tender offer

During December 2012, we recorded debt redemption costs of $0 3 billion in connection with the early redemption of $0 7 billion of the $2 0 billion of 8 75% Verizon Communications Notes due 2018, $1 0 billion of 4 625% Verizon Virginia LLC Debentures, Series A, due March 2013 and $0 75 billion of 4 35% Verizon Communications Notes due February 2013, as well as $0 3 billion of other costs

During November 2011, we recorded debt redemption costs of $0 1 billion in connection with the early redemption of $1 0 billion of 7 375% Verizon Communications Notes due September 2012, $0 6 billion of 6 875% Verizon Communications Notes due June 2012, $0 4 billion of 6 125% Verizon Florida Inc Debentures due January 2013, $0 5 billion of 6 125% Verizon Maryland Inc Debentures due March 2012 and $1 0 billion of 6 875% Verizon New York Inc Debentures due April 2012

Litigation Settlements

In the third quarter of 2012, we settled a number of patent litigation matters, including cases with ActiveVideo Networks Inc (ActiveVideo) and TiVo Inc (TiVo) In connection with the settlements with ActiveVideo and TiVo, we recorded a charge of $0 4 billion in the third quarter of 2012 and will pay and recognize over the following six years an additional $0 2 billion

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the litigation settlement costs presented above

Consolidated Cash Flow Data

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Cash Flows Provided By (Used In)			
Operating activities	**$ 38,818**	$ 31,486	$ 29,780
Investing activities	**(14,833)**	(20,502)	(17,250)
Financing activities	**26,450**	(21,253)	(5,836)
Increase (Decrease) In Cash and Cash Equivalents	**$ 50,435**	$(10,269)	$ 6,694

We use the net cash generated from our operations to fund network expansion and modernization, repay external financing, pay dividends, repurchase Verizon common stock from time to time and invest in new businesses Our sources of funds, primarily from operations and, to the extent necessary, from external financing arrangements, are sufficient to meet ongoing operating and investing requirements The cash portion of the purchase price for the Wireless Transaction was primarily funded by the incurrence of third-party indebtedness including the issuance of $49 0 billion aggregate principal amount of fixed and floating rate notes and other indebtedness (see "Acquisitions and Divestitures") We expect that our capital spending requirements will continue to be financed primarily through internally generated funds Debt or equity financing may be needed to fund additional investments or development activities or to maintain an appropriate capital structure to ensure our financial flexibility Our cash and cash equivalents are primarily held domestically in diversified accounts and are invested to maintain principal and liquidity Accordingly, we do not have significant exposure to foreign currency fluctuations

The volatility in world debt and equity markets has not had a significant effect on our ability to access external financing Our available external financing arrangements include credit available under credit facilities and other bank lines of credit, vendor financing arrangements issuances of registered debt or equity securities and privately-placed capital market securities We may also issue short-term debt through an active commercial paper program and have a $6 2 billion credit facility to support such commercial paper issuances In addition, during 2013, we entered into a $2 0 billion 364-day revolving credit agreement

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations, primarily from our Wireless segment Net cash provided by operating activities during 2013 increased by $7 3 billion compared to 2012 primarily due to higher consolidated earnings, lower pension contributions and improved working capital levels The increase in net cash provided by operating activities in 2013 was partially offset by net distributions of $0 3 billion received from Vodafone Omnitel in 2012

Net cash provided by operating activities during 2012 increased by $1 7 billion compared to 2011 primarily due to higher consolidated earnings, as well as improved working capital levels, due to timing differences, partially offset by an increase in pension contributions Net cash provided by operating activities during 2012 and 2011 included net distributions received from Vodafone Omnitel of $0 3 billion and $0 4 billion, respectively

Cash Flows Used In Investing Activities

Capital Expenditures

Capital expenditures continue to be our primary use of capital resources as they facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency and productivity of our networks

Capital expenditures, including capitalized software, were as follows

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Wireless	**$ 9,425**	$ 8,857	$ 8,973
Wireline	**6,229**	6,342	6,399
Other	**950**	976	872
	$ 16,604	$ 16,175	$ 16,244
Total as a percentage of revenue	**13 8%**	14 0%	14 7%

Capital expenditures increased at Wireless in 2013 compared to 2012 in order to substantially complete the build-out of our 4G LTE network Capital expenditures declined at Wireline as a result of decreased legacy spending requirements and a decline in spending on our FiOS network

Capital expenditures declined slightly at Wireless in 2012 compared to 2011 due to the decreased investment in the capacity of our wireless EV-DO network, partially offset by the increased build-out of our 4G LTE network Capital expenditures declined slightly at Wireline due to lower legacy spending requirements

Acquisitions

During 2013, 2012 and 2011, we invested $0 6 billion, $4 3 billion and $0 2 billion, respectively, in acquisitions of wireless licenses During 2013, 2012 and 2011, we also invested $0 5 billion, $0 9 billion and $1 8 billion, respectively, in acquisitions of investments and businesses, net of cash acquired

During the fourth quarter of 2013 Verizon acquired an industry leader in content delivery networks for $0 4 billion We expect the acquisition will increase our ability to meet the growing demand for online digital media content Additionally, we acquired a technology and television cloud company for cash consideration that was not significant In February 2014, Verizon acquired a business dedicated to the development of cloud television products and services for cash consideration that was not significant

During 2012 we paid approximately $4 3 billion to acquire wireless licenses primarily to meet future LTE capacity needs and enable LTE expansion Additionally, during 2012, we acquired HUGHES Telematics, a provider of telematics services, for $0 6 billion See "Acquisitions and Divestitures" for additional details

During April 2011, we paid approximately $1 4 billion for the equity of Terremark, which was partially offset by $0 1 billion of cash acquired (see "Acquisitions and Divestitures") See "Cash Flows From Financing Activities" regarding the debt obligations of Terremark that were repaid during May 2011 In addition, during 2011, we acquired various wireless licenses and markets as well as a provider of cloud software technology for cash consideration that was not significant

Dispositions

During 2013, we completed the sale of 700 MHz lower B block spectrum licenses and as a result, we received proceeds of $2 1 billion Additionally, on January 6, 2014, we announced agreements with T-Mobile USA, Inc (T-Mobile USA) pursuant to which we will dispose of our remaining 700 MHz A block spectrum licenses, and as a result of these agreements we expect to receive cash consideration of approximately $2 4 billion and additional spectrum See "Acquisitions and Divestitures" for additional information

During 2012, we received $0 4 billion related to the sale of some of our 700 MHz lower A and B block spectrum licenses We acquired these licenses as part of Federal Communications Commission (FCC) Auction 73 in 2008

Other, net

During 2011, Other net primarily included proceeds related to the sales of long-term investments, which were not significant to our consolidated statements of income

Cash Flows Provided by (Used In) Financing Activities

We seek to maintain a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions During 2013, 2012 and 2011 net cash provided by (used in) financing activities was $26 5 billion $(21 3) billion and $(5 8) billion, respectively

2013

During March 2013, we issued $0 5 billion aggregate principal amount of floating rate Notes due 2015 in a private placement resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The proceeds were used for the repayment of commercial paper

During April 2013, $1 25 billion of 5 25% Verizon Communications Notes matured and were repaid During May 2013, $0 1 billion of 7 0% Verizon New York Inc Debentures matured and were repaid During June 2013, $0 5 billion of 4 375% Verizon Communications Notes and $0 1 billion of 7 0% Verizon New York Inc Debentures matured and were repaid In addition, during June 2013, we redeemed $0 25 billion of 7 15% Verizon Maryland LLC Debentures due May 2023 at a redemption price of 100% of the principal amount of the debentures

During September 2013, in connection with the Wireless Transaction, we issued $49 0 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $48 7 billion, net of discounts and issuance costs The issuances consisted of the following $2 25 billion aggregate principal amount of floating rate Notes due 2016 that bear interest at a rate equal to three-month London Interbank Offered Rate (LIBOR) plus 1 53% which rate will be reset quarterly $1 75 billion aggregate principal amount of floating rate Notes due 2018 that bear interest at a rate equal to three-month LIBOR plus 1 75% which rate will be reset quarterly, $4 25 billion aggregate principal amount of 2 50% Notes due 2016, $4 75 billion aggregate principal amount of 3 65% Notes due 2018 $4 0 billion aggregate principal amount of 4 50% Notes due 2020, $11 0 billion aggregate principal amount of 5 15% Notes due 2023, $6 0 billion aggregate principal amount of 6 40% Notes due 2033 and $15 0 billion aggregate principal amount of 6 55% Notes due 2043 (collectively, the new notes) The proceeds of the new notes were used to finance, in part, the Wireless Transaction and to pay related fees and expenses As a result of the issuance of the new notes, we incurred interest expense related to the Wireless Transaction of $0 7 billion during 2013

During October 2013, $0 3 billion of 4 75% Verizon New England Inc Debentures matured and were repaid

During November 2013, $1.25 billion of 7 375% Verizon Wireless Notes and $0 2 billion of 6 5% Verizon Wireless Notes matured and were repaid During November 2013, Verizon Wireless redeemed $3 5 billion of 5 55% Notes due February 1, 2014 at a redemption price of 101% of the principal amount of the notes and $0 3 billion of 6 70% Verizon New York Inc Debentures due November 2023 at a redemption price of 100% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date of redemption

During December 2013, we redeemed $0 2 billion of 7 0% Verizon New York Inc Debentures due December 2033 at a redemption price of 100% of the principal amount of the debentures and $20 million of 7 0% Verizon Delaware LLC Debentures due December 2023 at a redemption price of 100% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date of redemption

In addition, during 2013 we utilized $0 2 billion under fixed rate vendor financing facilities

During February 2014, we issued €1 75 billion aggregate principal amount of 2 375% Notes due 2022 €1 25 billion aggregate principal amount of 3 25% Notes due 2026 and £0 85 billion aggregate principal amount of 4 75% Notes due 2034 The issuance of these Notes resulted in cash proceeds of approximately $5 4 billion, net of discounts and issuance costs The net proceeds were used in part, to finance the Wireless Transaction Any net proceeds not used to finance the Wireless Transaction will be used for general corporate purposes Also, during February 2014, we issued $0 5 billion aggregate principal amount of 5 9% Retail Notes due 2054 resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The proceeds will be used for general corporate purposes

Verizon Notes

During February 2014, in connection with the Wireless Transaction we issued $5 0 billion aggregate principal amount of floating rate notes The Verizon Notes were issued in two separate series, with $2 5 billion due February 21 2022 and $2 5 billion due February 21, 2025 The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears beginning May 21, 2014 (see ' Acquisitions and Divestitures') The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372%

Term Loan Agreement

During October 2013, we entered into a term loan agreement with a group of major financial institutions pursuant to which we drew $6 6 billion in February 2014 to finance, in part, the Wireless Transaction and to pay transaction costs Half of any loans under the term loan agreement have a maturity of three years and the other half have a maturity of five years (the 5-Year Loans) The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding Loans under the term loan agreement bear interest at floating rates The term loan agreement contains certain negative covenants including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3 50 1 00, until our credit ratings reach a certain level

Bridge Credit Agreement

During September 2013, we entered into a $61 0 billion bridge credit agreement with a group of major financial institutions The credit agreement provided us with the ability to borrow up to $61 0 billion to finance, in part the Wireless Transaction and to pay related transaction costs Following the September 2013 issuance of notes, borrowing availability under the bridge credit agreement was reduced to $12 0 billion Following the effectiveness of the term loan agreement in October 2013, the bridge credit agreement was terminated in accordance with its terms and as such, the related fees of $0 2 billion were recognized in Other income and (expense), net during the fourth quarter of 2013

2012

During January 2012, $1 0 billion of 5 875% Verizon New Jersey Inc Debentures matured and were repaid During February 2012, $0 8 billion of 5 25% Verizon Wireless Notes matured and were repaid During July 2012, $0 8 billion of 7 0% Verizon Wireless Notes matured and were repaid In addition during 2012 we utilized $0 2 billion under fixed rate vendor financing facilities

On November 2, 2012, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the outstanding $1 25 billion aggregate principal amount of 8 95% Verizon Communications Notes due 2039 In the Tender Offer that was completed November 9, 2012 $0 9 billion aggregate principal amount of the notes was purchased and $0 35 billion principal amount of the notes remained outstanding Any accrued and unpaid interest on the principal purchased was paid to the date of purchase

During November 2012, we issued $4 5 billion aggregate principal amount of fixed rate notes at varying maturities resulting in cash proceeds of approximately $4 47 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes, for the Tender Offer, and to redeem $0 7 billion of $2 0 billion of 8 75% Verizon Communications Notes due 2018, $1 0 billion of 4 625% Verizon Virginia LLC Debentures, Series A due 2013 and $0 75 billion of 4 35% Verizon Communications Notes due 2013

In addition, during 2012, various fixed rate notes totaling approximately $0 2 billion were repaid and any accrued and unpaid interest was paid to the date of payment

See "Other Items" regarding the early debt redemption costs incurred in connection with the aforementioned repurchases and redemptions

2011

During 2011, proceeds from long-term borrowings totaled $11 1 billion, which was primarily used to repay outstanding debt, redeem higher interest bearing debt maturing in the near term and for other general corporate purposes

During 2011, $0 5 billion of 5 35% Verizon Communications Notes matured and were repaid, and we utilized $0 3 billion under fixed rate vendor financing facilities

During March 2011, we issued $6 25 billion aggregate principal amount of fixed and floating rate notes at varying maturities resulting in cash proceeds of approximately $6 19 billion, net of discounts and issuance costs The net proceeds were used for the repayment of commercial paper and other general corporate purposes, as well as to redeem $2 0 billion aggregate principal amount of telephone subsidiary debt during April 2011

The debt obligations of Terremark that were outstanding at the time of its acquisition by Verizon were repaid during the second quarter of 2011

During November 2011, we issued $4 6 billion aggregate principal amount of fixed rate notes at varying maturities resulting in cash proceeds of approximately $4 55 billion net of discounts and issuance costs During November 2011, the net proceeds were used to redeem $1 6 billion aggregate principal amount of Verizon Communications notes and $1 9 billion aggregate principal amount of telephone subsidiary debt The remaining net proceeds were used for the repayment of commercial paper and other general corporate purposes See "Other Items" regarding the early debt redemption costs incurred in connection with the aforementioned redemptions

During December 2011, we repaid $0 9 billion upon maturity for the €0 7 billion of 7 625% Verizon Wireless Notes, and the related cross currency swap was settled During May 2011, $4 0 billion Verizon Wireless two-year fixed and floating rate notes matured and were repaid

Special Distributions

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7 0 billion As a result, Vodafone received a cash payment of $3 15 billion and the remainder of the distribution was received by Verizon

In November 2012, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the fourth quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $8 5 billion As a result, Vodafone received a cash payment of $3 8 billion and the remainder of the distribution was received by Verizon

In July 2011, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the first quarter of 2012 in proportion to their partnership interests on the payment date in the aggregate amount of $10 billion As a result, Vodafone received a cash payment of $4 5 billion and the remainder of the distribution was received by Verizon

Other, net

The change in Other, net financing activities during 2013 compared to 2012 was primarily driven by higher distributions to Vodafone, which owned a 45% noncontrolling interest in Verizon Wireless as of December 31, 2013 The change in Other, net financing activities during 2012 compared to 2011 was primarily driven by higher distributions to Vodafone, and higher early debt redemption costs (see "Other Items")

Dividends

The Verizon Board of Directors determines the appropriateness of the level of our dividend payments on a periodic basis by considering such factors as long-term growth opportunities, internal cash requirements and the expectations of our shareowners During the third quarter of 2013, the Board increased our quarterly dividend payment 2 9% to $ 53 per share from $ 515 per share in the same period of 2012 This is the seventh consecutive year that Verizon's Board of Directors has approved a quarterly dividend increase During the third quarter of 2012, the Board increased our quarterly dividend payment 3 0% to $ 515 per share from $ 50 per share in the same period of 2011 During the third quarter of 2011, the Board increased our quarterly dividend payment 2 6% to $ 50 per share from $ 4875 per share in the same period of 2010

During 2013, we paid $5 9 billion in dividends compared to $5 2 billion in 2012 and $5 6 billion in 2011 As in prior periods, dividend payments were a significant use of capital resources While the dividends declared per common share increased in 2012 compared to 2011, the total amount of cash dividends paid decreased during 2012 compared to the prior year as a portion of the dividends was satisfied through the issuance of common shares from Treasury stock (see "Common Stock")

Credit Facilities

On August 13, 2013, we amended our $6 2 billion credit facility with a group of major financial institutions to extend the maturity date to August 12, 2017 As of December 31, 2013, the unused borrowing capacity under this credit facility was approximately $6 1 billion The credit facility does not require us to comply with financial covenants or maintain specified credit ratings, and it permits us to borrow even if our business has incurred a material adverse change We use the credit facility to support the issuance of commercial paper, for the issuance of letters of credit and for general corporate purposes

During October 2013 we entered into a $2 0 billion 364-day revolving credit agreement with a group of major financial institutions Although effective as of October 2013, we could not draw on this revolving credit agreement prior to the completion of the Wireless Transaction We may use borrowings under the 364-day credit agreement for general corporate purposes The 364-day revolving credit agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition this agreement requires us to maintain a leverage ratio (as defined in the agreement) not in excess of 3 50 1 00, until our credit ratings reach a certain level

Common Stock

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 24 6 million common shares issued from Treasury stock during 2012 related to dividend payments, which had an aggregate value of $1 0 billion On February 3, 2011 the Board of Directors replaced the previously authorized share buyback program with a new program for the repurchase of up to 100 million common shares terminating no later than the close of business on February 28, 2014 The Board also determined that no additional shares were to be purchased under the prior program During 2013, we repurchased $0 2 billion of our common stock under this program There were no repurchases of common stock during 2012 or 2011

As a result of the Wireless Transaction, Verizon issued approximately 1 27 billion shares

Credit Ratings

During the third quarter of 2013, Verizon's credit ratings were downgraded by Moody's Investors Service (Moody's), Standard & Poor's Ratings Services (Standard & Poor s) and Fitch Ratings (Fitch) as a result of Verizon's announcement of the agreement to acquire Vodafone's 45% noncontrolling interest in Verizon Wireless for approximately $130 billion including the incurrence of third-party indebtedness to fund the cash portion of the purchase price for the Wireless Transaction Moody's downgraded Verizon's long-term debt ratings one notch from A3 to Baa1, while Standard & Poor's lowered its corporate credit rating and senior unsecured debt rating one notch from A- to BBB - and Fitch lowered its long-term issuer default rating and senior unsecured debt rating one notch from A to A-

Although the ratings downgrade is not expected to significantly impact our access to capital, it could increase both the cost of refinancing debt and the cost of financing any new capital requirements Securities ratings assigned by rating organizations are expressions of opinion and are not recommendations to buy, sell or hold securities A securities rating is subject to revision or withdrawal at any time by the assigning rating organization Each rating should be evaluated independently of any other rating

Covenants

Our credit agreements contain covenants that are typical for large, investment grade companies These covenants include requirements to pay interest and principal in a timely fashion, pay taxes, maintain insurance with responsible and reputable insurance companies, preserve our corporate existence, keep appropriate books and records of financial transactions, maintain our properties provide financial and other reports to our lenders, limit pledging and disposition of assets and mergers and consolidations and other similar covenants Additionally, the term loan credit agreement and the 364-day revolving credit agreement require us to maintain a leverage ratio (as such term is defined in those agreements) not in excess of 3 50 1 00 until our credit ratings are equal to or higher than A3 and A-

We and our consolidated subsidiaries are in compliance with all debt covenants

Increase (Decrease) In Cash and Cash Equivalents

Our Cash and cash equivalents at December 31, 2013 totaled $53 5 billion a $50 4 billion increase compared to Cash and cash equivalents at December 31, 2012 primarily as a result of the issuance of $49 0 billion aggregate principal amount of fixed and floating rate notes

Our Cash and cash equivalents at December 31 2012 totaled $3 1 billion, a $10 3 billion decrease compared to Cash and cash equivalents at December 31, 2011 as a result of the factors described in connection with our cash flows provided by operating activities, cash flows used in investing activities and cash flows used in financing activities

Free Cash Flow

Free cash flow is a non-GAAP financial measure that management believes is useful to investors and other users of Verizon's financial information in evaluating cash available to pay debt and dividends Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities The following table reconciles net cash provided by operating activities to Free cash flow

		(dollars in millions)	
Years Ended December 31,	2013	2012	2011
Net cash provided by operating activities	$ 38,818	$ 31,486	$ 29,780
Less Capital expenditures (including capitalized software)	16,604	16,175	16,244
Free cash flow	$ 22,214	$ 15,311	$ 13,536

The changes in free cash flow during 2013, 2012 and 2011 were a result of the factors described in connection with net cash provided by operating activities and capital expenditures

Employee Benefit Plan Funded Status and Contributions

Pension Annuitization

On October 17, 2012 we, along with our subsidiary Verizon Investment Management Corp , and Fiduciary Counselors Inc , as independent fiduciary of the Verizon Management Pension Plan (the Plan), entered into a definitive purchase agreement with The Prudential Insurance Company of America (Prudential) and Prudential Financial, Inc , pursuant to which the Plan would purchase a single premium group annuity contract from Prudential

On December 10, 2012, upon issuance of the group annuity contract by Prudential, Prudential irrevocably assumed the obligation to make future annuity payments to approximately 41,000 Verizon management retirees who began receiving pension payments from the Plan prior to January 1, 2010 The amount of each retiree's annuity payment equals the amount of such individual's pension benefit In addition, the group annuity contract is intended to replicate the same rights to future payments, such as survivor benefits, that are currently offered by the Plan

We contributed approximately $2 6 billion to the Plan between September 1 2012 and December 31, 2012 in connection with the transaction so that the Plan's funding percentage would not decrease as a result of the transaction

Employer Contributions

We operate numerous qualified and nonqualified pension plans and other postretirement benefit plans. These plans primarily relate to our domestic business units. During 2013, contributions to our qualified pension plans were not material. During 2012 and 2011, we contributed $0.9 billion and $0.4 billion, respectively, to our qualified pension plans, excluding the pension annuitization discussed above. We also contributed $0.1 billion, $0.2 billion and $0.1 billion to our nonqualified pension plans in 2013, 2012 and 2011, respectively.

In an effort to reduce the risk of our portfolio strategy and better align assets with liabilities, we have adopted a liability driven pension strategy that seeks to better match cash flows from investments with projected benefit payments. We expect that the strategy will reduce the likelihood that assets will decline at a time when liabilities increase (referred to as liability hedging), with the goal to reduce the risk of underfunding to the plan and its participants and beneficiaries; however, we also expect the strategy to result in lower asset returns. Based on this strategy and the funded status of the plans at December 31, 2013, we expect the minimum required qualified pension plan contribution in 2014 to be $1.2 billion. Nonqualified pension contributions are estimated to be approximately $0.2 billion in 2014.

Contributions to our other postretirement benefit plans generally relate to payments for benefits on an as-incurred basis since the other postretirement benefit plans do not have funding requirements similar to the pension plans. We contributed $1.4 billion, $1.5 billion and $1.4 billion to our other postretirement benefit plans in 2013, 2012 and 2011, respectively. Contributions to our other postretirement benefit plans are estimated to be approximately $1.4 billion in 2014.

Leasing Arrangements

We are the lessor in leveraged and direct financing lease agreements for commercial aircraft and power generating facilities, which comprise the majority of our leasing portfolio along with telecommunications equipment, commercial real estate property and other equipment. These leases have remaining terms of up to 37 years as of December 31, 2013. In addition, we lease space on certain of our cell towers to other wireless carriers. Minimum lease payments receivable represent unpaid rentals, less principal and interest on third-party nonrecourse debt relating to leveraged lease transactions. Since we have no general liability for this debt, which is secured by a senior security interest in the leased equipment and rentals, the related principal and interest have been offset against the minimum lease payments receivable in accordance with U.S. GAAP. All recourse debt is reflected in our consolidated balance sheets.

Off Balance Sheet Arrangements and Contractual Obligations

Contractual Obligations and Commercial Commitments

The following table provides a summary of our contractual obligations and commercial commitments at December 31, 2013. Additional detail about these items is included in the notes to the consolidated financial statements.

(dollars in millions)

	Payments Due By Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt [1]	$ 92,851	$ 3,395	$ 13,466	$ 16,252	$ 59,738
Capital lease obligations [2]	293	91	92	49	61
Total long-term debt, including current maturities	93,144	3,486	13,558	16,301	59,799
Interest on long-term debt [1]	74,938	4,816	9,419	8,609	52,094
Operating leases [2]	12,190	2,255	3,723	2,464	3,748
Purchase obligations [3]	33,440	19,724	8,778	4,163	775
Other long-term liabilities [4]	4,404	2,825	1,579	–	–
Total contractual obligations	$ 218,116	$ 33,106	$ 37,057	$ 31,537	$ 116,416

[1] Items included in long-term debt with variable coupon rates are described in Note 8 to the consolidated financial statements.

[2] See Note 7 to the consolidated financial statements.

[3] The purchase obligations reflected above are primarily commitments to purchase handsets and peripherals, equipment, software, programming and network services, and marketing activities, which will be used or sold in the ordinary course of business. These amounts do not represent our entire anticipated purchases in the future, but represent only those items that are the subject of contractual obligations. We also purchase products and services as needed with no firm commitment. For this reason, the amounts presented in this table alone do not provide a reliable indicator of our expected future cash outflows or changes in our expected cash position (see Note 16 to the consolidated financial statements).

[4] Other long-term liabilities include estimated postretirement benefit and qualified pension plan contributions (see Note 11 to the consolidated financial statements).

We are not able to make a reliable estimate of when the unrecognized tax benefits balance of $2.1 billion and related interest and penalties will be settled with the respective taxing authorities until issues or examinations are further developed (see Note 12 to the consolidated financial statements).

Guarantees

In connection with the execution of agreements for the sale of businesses and investments, Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters, such as ownership of the securities being sold, as well as financial losses (see Note 16 to the consolidated financial statements).

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries. As of December 31, 2013, $3.1 billion principal amount of these obligations remain outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, which will occur, among other things, if the operating telephone company is no longer a wholly-owned subsidiary of Verizon.

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of December 31, 2013, $1.7 billion principal amount of these obligations remained outstanding (see Note 8 to the consolidated financial statements).

As of December 31, 2013, letters of credit totaling approximately $0.1 billion, which were executed in the normal course of business and support several financing arrangements and payment obligations to third parties, were outstanding (see Note 16 to the consolidated financial statements).

We are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes, foreign currency exchange rate fluctuations, changes in investment, equity and commodity prices and changes in corporate tax rates. We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks. We do not hold derivatives for trading purposes.

It is our general policy to enter into interest rate, foreign currency and other derivative transactions only to the extent necessary to achieve our desired objectives in limiting our exposure to various market risks. Our objectives include maintaining a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. We do not hedge our market risk exposure in a manner that would completely eliminate the effect of changes in interest rates and foreign exchange rates on our earnings. We do not expect that our net income, liquidity and cash flows will be materially affected by these risk management strategies.

Interest Rate Risk

We are exposed to changes in interest rates, primarily on our short-term debt and the portion of long-term debt that carries floating interest rates. As of December 31, 2013, approximately 92% of the aggregate principal amount of our total debt portfolio consisted of fixed rate indebtedness, including the effect of interest rate swap agreements designated as hedges. The impact of a 100 basis point change in interest rates affecting our floating rate debt would result in a change in annual interest expense, including our interest rate swap agreements that are designated as hedges, of approximately $0.1 billion. The interest rates on our existing long-term debt obligations are unaffected by changes to our credit ratings.

The table that follows summarizes the fair values of our long-term debt, including current maturities, and interest rate swap derivatives as of December 31, 2013 and 2012. The table also provides a sensitivity analysis of the estimated fair values of these financial instruments assuming 100-basis-point upward and downward shifts in the yield curve. Our sensitivity analysis does not include the fair values of our commercial paper and bank loans, if any, because they are not significantly affected by changes in market interest rates.

(dollars in millions)

At December 31, 2013	Fair Value	Fair Value assuming +100 basis point shift	Fair Value assuming -100 basis point shift
Long-term debt and related derivatives	$ 103,103	$ 95,497	$ 111,910
At December 31, 2012			
Long-term debt and related derivatives	$ 61,045	$ 56,929	$ 65,747

Interest Rate Swaps

We have entered into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our consolidated balance sheets as assets and liabilities.

During 2012, interest rate swaps with a notional value of $5.8 billion were settled. As a result of the settlements, we received net proceeds of $0.7 billion, including accrued interest which is included in Other, net operating activities in the consolidated statement of cash flows. The fair value basis adjustment to the underlying debt instruments was recognized into earnings as a reduction of interest expense over the remaining lives of the underlying debt obligations. During the second quarter of 2013, interest rate swaps with a notional value of $1.25 billion matured and the impact to our consolidated financial statements was not material. During the third quarter of 2013, we entered into interest rate swaps with a total notional value of $1.8 billion. At December 31, 2013 and 2012, the fair value of these interest rate swaps was not material. At December 31, 2013, the total notional amount of these interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material at December 31, 2013.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a notional value of $2.0 billion. We designated these contracts as cash flow hedges. The fair value of these contracts was not material at December 31, 2013.

Foreign Currency Translation

The functional currency for our foreign operations is primarily the local currency. The translation of income statement and balance sheet amounts of our foreign operations into U.S. dollars is recorded as cumulative translation adjustments, which are included in Accumulated other comprehensive income in our consolidated balance sheets. Gains and losses on foreign currency transactions are recorded in the consolidated statements of income in Other income and (expense), net. At December 31, 2013, our primary translation exposure was to the British Pound Sterling, the Euro, the Australian Dollar and the Japanese Yen.

Cross Currency Swaps

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.6 billion of British Pound Sterling and Euro-denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses. A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations. The fair value of the outstanding swaps was not material at December 31, 2013 or December 31, 2012. During 2013 and 2012 the gains with respect to these swaps were not material.

During February 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Critical Accounting Estimates

A summary of the critical accounting estimates used in preparing our financial statements is as follows:

- Wireless licenses and Goodwill are a significant component of our consolidated assets. Both our wireless licenses and goodwill are treated as indefinite-lived intangible assets and, therefore are not amortized, but rather are tested for impairment annually in the fourth fiscal quarter, unless there are events or changes in circumstances during an interim period that indicate these assets may not be recoverable. We believe our estimates and assumptions are reasonable and represent appropriate marketplace considerations as of the valuation date. We do not believe that reasonably likely adverse changes in our assumptions and estimates would result in an impairment charge as of our latest impairment testing date. However, if there is a substantial and sustained adverse decline in our operating profitability, we may have impairment charges in future years. Any such impairment charge could be material to our results of operations and financial condition.

Wireless Licenses

The carrying value of our wireless licenses was approximately $75.7 billion as of December 31, 2013. We aggregate our wireless licenses into one single unit of accounting, as we utilize our wireless licenses on an integrated basis as part of our nationwide wireless network. Our wireless licenses provide us with the exclusive right to utilize certain radio frequency spectrum to provide wireless communication services. There are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses. In 2013, we performed a qualitative impairment assessment to determine whether it is more likely than not that the fair value of our wireless licenses was less than the carrying amount. As part of our assessment we considered several qualitative factors including the business enterprise value of Wireless, macroeconomic conditions (including changes in interest rates and discount rates), industry and market considerations (including industry revenue and EBITDA margin projections) the projected financial performance of Wireless, as well as other factors. Based on our assessment in 2013, we qualitatively concluded that it was more likely than not that the fair value of our wireless licenses significantly exceeded their carrying value and therefore, did not result in an impairment.

In 2012 and 2011, our quantitative impairment test consisted of comparing the estimated fair value of our wireless licenses to the aggregated carrying amount as of the test date. If the estimated fair value of our wireless licenses was less than the aggregated carrying amount of the wireless licenses then an impairment charge would have been recognized. Our annual quantitative impairment tests for 2012 and 2011 indicated that the fair value significantly exceeded the carrying value and, therefore, did not result in an impairment.

In 2012 and 2011, using a quantitative assessment, we estimated the fair value of our wireless licenses using a direct income based valuation approach. This approach uses a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date. As a result we were required to make significant estimates about future cash flows specifically associated with our wireless licenses, an appropriate discount rate based on the risk associated with those estimated cash flows and assumed terminal value and growth rates. We considered

current and expected future economic conditions, current and expected availability of wireless network technology and infrastructure and related equipment and the costs thereof as well as other relevant factors in estimating future cash flows The discount rate represented our estimate of the weighted-average cost of capital (WACC), or expected return, that a marketplace participant would have required as of the valuation date We developed the discount rate based on our consideration of the cost of debt and equity of a group of guideline companies as of the valuation date Accordingly, our discount rate incorporated our estimate of the expected return a marketplace participant would have required as of the valuation date, including the risk premium associated with the current and expected economic conditions as of the valuation date The terminal value growth rate represented our estimate of the marketplace s long-term growth rate

Goodwill

At December 31 2013 the balance of our goodwill was approximately $24 6 billion, of which $18 4 billion was in our Wireless segment and $6 2 billion was in our Wireline segment Determining whether an impairment has occurred requires the determination of fair value of each respective reporting unit Our operating segments, Wireless and Wireline, are deemed to be our reporting units for purposes of goodwill impairment testing The fair value of Wireless significantly exceeded its carrying value and the fair value of Wireline exceeded its carrying value Accordingly, our annual impairment tests for 2013, 2012 and 2011 did not result in an impairment

The fair value of the reporting unit is calculated using a market approach and a discounted cash flow method The market approach includes the use of comparative multiples to corroborate discounted cash flow results The discounted cash flow method is based on the present value of two components—projected cash flows and a terminal value The terminal value represents the expected normalized future cash flows of the reporting unit beyond the cash flows from the discrete projection period The fair value of the reporting unit is calculated based on the sum of the present value of the cash flows from the discrete period and the present value of the terminal value The estimated cash flows are discounted using a rate that represents our WACC

- We maintain benefit plans for most of our employees, including, for certain employees, pension and other postretirement benefit plans At December 31, 2013, in the aggregate, pension plan benefit obligations exceeded the fair value of pension plan assets, which will result in higher future pension plan expense Other postretirement benefit plans have larger benefit obligations than plan assets, resulting in expense Significant benefit plan assumptions, including the discount rate used the long-term rate of return on plan assets and health care trend rates are periodically updated and impact the amount of benefit plan income, expense, assets and obligations A sensitivity analysis of the impact of changes in these assumptions on the benefit obligations and expense (income) recorded, as well as on the funded status due to an increase or a decrease in the actual versus expected return on plan assets as of December 31, 2013 and for the year then ended pertaining to Verizon's pension and postretirement benefit plans is provided in the table below

(dollars in millions)	Percentage point change	Increase (decrease) at December 31, 2013*
Pension plans discount rate	+0 50	$ (1,105)
	-0 50	1,224
Rate of return on pension plan assets	+1 00	(166)
	-1 00	166
Postretirement plans discount rate	+0 50	(1,332)
	-0 50	1,486
Rate of return on postretirement plan assets	+1 00	(26)
	-1 00	26
Health care trend rates	+1 00	2,539
	-1 00	(2,086)

  - In determining its pension and other postretirement obligation the Company used a weighted-average discount rate of 5 0% The rate was selected to approximate the composite interest rates available on a selection of high-quality bonds available in the market at December 31, 2013 The bonds selected had maturities that coincided with the time periods during which benefits payments are expected to occur, were non-callable and available in sufficient quantities to ensure marketability (at least $0 3 billion par outstanding)

- Our current and deferred income taxes, and associated valuation allowances, are impacted by events and transactions arising in the normal course of business as well as in connection with the adoption of new accounting standards, changes in tax laws and rates, acquisitions and dispositions of businesses and non-recurring items As a global commercial enterprise, our income tax rate and the classification of income taxes can be affected by many factors, including estimates of the timing and realization of deferred income tax assets and the timing and amount of income tax payments We account for tax benefits taken or expected to be taken in our tax returns in accordance with the accounting standard relating to the uncertainty in income taxes which requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return We review and adjust our liability for unrecognized tax benefits based on our best judgment given the facts, circumstances, and information available at each reporting date To the extent that the final outcome of these tax positions is different than the amounts recorded such differences may impact income tax expense and actual tax payments We recognize any interest and penalties accrued related to unrecognized tax benefits in income tax expense Actual tax payments may materially differ from estimated liabilities as a result of changes in tax laws as well as unanticipated transactions impacting related income tax balances

- Our Plant property and equipment balance represents a significant component of our consolidated assets We record plant, property and equipment at cost We depreciate plant, property and equipment on a straight-line basis over the estimated useful life of the assets We expect that a one-year increase in estimated useful lives of our plant, property and equipment would result in a decrease to our 2013 depreciation expense of $1 8 billion and that a one-year decrease would result in an increase of approximately $2 1 billion in our 2013 depreciation expense

Recent Accounting Standards

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists was issued The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed We will adopt this standard update during the first quarter of 2014 We are currently evaluating the consolidated balance sheet impact related to this standard update

[illegible]

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion

On February 21 2014 pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc , a subsidiary of Seller (VF1 Inc), which indirectly through certain subsidiaries (together with VF1 Inc the Purchased Entities) owned the Vodafone Interest In consideration for the Transferred Shares, upon completion of the Wireless Transaction Verizon (i) paid approximately $58 89 billion in cash, (ii) issued approximately $60 15 billion of Verizon s common stock, par value $0 10 per share (the Stock Consideration), (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5 0 billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23 1% interest in Vodafone Omnitel N V (Omnitel, and such interest, the Omnitel Interest), valued at $3 5 billion and (v) provided other consideration of approximately $2 5 billion As a result of the Wireless Transaction, Verizon issued approximately 1 27 billion shares The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness (see "Consolidated Financial Condition")

In accordance with the accounting standard on consolidation a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted As a result, we will account for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in Verizon Wireless Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted will be recognized in equity attributable to Verizon

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also implemented the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement We will recognize a gain on the disposal of the Omnitel interest in the first quarter of 2014

Verizon Notes

The Verizon Notes were issued pursuant to Verizon s existing indenture The Verizon Notes were issued in two separate series, with $2 5 billion due February 21, 2022 and $2 5 billion due February 21, 2025 The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372% The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series Beginning two years

after the

closing of the Wireless Transaction Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017 The Verizon Notes held by third parties will not be redeemable Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable

Other Consideration

Included in the other consideration paid to Vodafone is the indirect assumption of long-term obligations with respect to 5 143% Class D and Class E cumulative preferred stock issued by one of the Purchased Entities Both the Class D (825,000 shares outstanding) and Class E shares (825 000 shares outstanding) are mandatorily redeemable in April 2020 at $1 000 per share plus any accrued and unpaid dividends Dividends accrue at 5 143% per annum and will be treated as interest expense Both the Class D and Class E shares will be classified as liability instruments and will be recorded at fair value as determined at the closing of the Wireless Transaction

Spectrum License Transactions

Since 2012, we have entered into several strategic spectrum transactions including

- During the third quarter of 2012, after receiving the required regulatory approvals, Verizon Wireless completed the following previously announced transactions in which we acquired wireless spectrum that will be used to deploy additional 4G LTE capacity.
  - Verizon Wireless acquired AWS spectrum in separate transactions with SpectrumCo and Cox TMI Wireless, LLC for which it paid an aggregate of $3 9 billion at the time of the closings Verizon Wireless has also recorded a liability of $0 4 billion related to a three-year service obligation to SpectrumCo s members pursuant to commercial agreements executed concurrently with the SpectrumCo transaction
  - Verizon Wireless completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA As a result of these transactions, Verizon Wireless received an aggregate $2 6 billion of AWS and PCS licenses at fair value and net cash proceeds of $0 2 billion transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless, and recorded an immaterial gain
- During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain Advanced Wireless Services (AWS) licenses These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band As a result of these exchanges, we received an aggregate $0 5 billion of AWS licenses at fair value and recorded an immaterial gain
- During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1 9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0 2 billion As a result, we received $0 5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0 3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013
- During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses These non-cash exchanges, which are subject to approval by the FCC and other customary closing conditions, are expected to close in the first half of 2014 The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands As a result of these agreements, $0 9 billion of Wireless licenses are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013 Upon completion of the transaction, we expect to record an immaterial gain

- Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2 4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses These transactions are subject to the approval of the FCC as well as other customary closing conditions These transactions are expected to close in the middle of 2014

Other

During 2013, we acquired various other wireless licenses and markets for cash consideration that was not significant Additionally, we obtained control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated which resulted in an immaterial gain We recorded $0.2 billion of goodwill as a result of these transactions

Wireline

HUGHES Telematics, Inc.

During July 2012, we acquired HUGHES Telematics for approximately $12 per share in cash for a total acquisition price of $0 6 billion As a result of the transaction, HUGHES Telematics became a wholly-owned subsidiary of Verizon The consolidated financial statements include the results of HUGHES Telematics operations from the date the acquisition closed Upon closing, we recorded approximately $0 6 billion of goodwill, $0 1 billion of other intangibles, and assumed the debt obligations of HUGHES Telematics, which were approximately $0 1 billion as of the date of acquisition, and which were repaid by Verizon Had this acquisition been completed on January 1, 2012 or 2011, the results of the acquired operations of HUGHES Telematics would not have had a significant impact on the consolidated net income attributable to Verizon The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers

The acquisition of HUGHES Telematics was accounted for as a business combination under the acquisition method The cost of the acquisition was allocated to the assets and liabilities acquired based on their fair values as of the close of the acquisition, with the excess amount being recorded as goodwill

Terremark Worldwide, Inc.

During April 2011, we acquired Terremark for $19 per share in cash Closing and other direct acquisition-related costs totaled approximately $13 million after-tax The acquisition was completed via a tender offer followed by a "short-form" merger under Delaware law through which Terremark became a wholly-owned subsidiary of Verizon The acquisition enhanced Verizon's offerings to business and government customers globally

Other

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0 4 billion We expect the acquisition will increase our ability to meet the growing demand for online digital media content Upon closing we recorded $0 3 billion of goodwill Additionally, we acquired a technology and television cloud company for cash consideration that was not significant The consolidated financial statements include the results of the operations of each of these acquisitions from the date each acquisition closed

On January 21, 2014, Verizon announced an agreement to acquire a business dedicated to the development of cloud television products and services for cash consideration that was not significant The transaction which was completed in February 2014, is expected to accelerate the availability of next-generation video services

Regulatory and Competitive Trends

Regulatory and Competitive Landscape

Verizon operates in a regulated and highly competitive market Current and potential competitors include other voice and data service providers such as other wireless companies traditional telephone companies, cable companies, Internet service providers, software and application providers, and other non-traditional companies Many of these companies have a strong market presence, brand recognition, and existing customer relationships, all of which contribute to intensifying competition and may affect our future revenue growth Some of our competitors also are subject to fewer regulatory constraints than Verizon For many services offered by Verizon, the FCC is our primary regulator The FCC has jurisdiction over interstate telecommunications services and other matters under the Communications Act of 1934, as amended (Communications Act or Act) Other Verizon services are subject to state and local regulation

FCC Regulation

Broadband

Verizon offers many different broadband and Internet access services The FCC has adopted a series of orders that impose lesser regulatory requirements on broadband services than apply to older voice and slower data services For example certain facility unbundling requirements that apply to narrowband facilities of traditional telephone companies do not apply to broadband facilities In addition, the FCC concluded that both wireline and wireless broadband Internet access services qualify as largely deregulated information services Our broadband Internet access services are subject to various attempts to impose so-called "network neutrality" rules, some of which were affirmed and others vacated on appeal in early 2014 Verizon has been and remains committed to the open Internet which provides consumers with competitive choices and unblocked access to lawful websites and content when, where and how they want This will not change in light of the court's decision Our commitment applies to broadband Internet access services provided over both our wireline and wireless networks and can be found on our website at http //responsibility verizon com/broadband-commitment

Video

Verizon offers a multi-channel video service that is regulated like traditional cable service The FCC has a body of rules that apply to cable operators, and these rules also generally apply to Verizon In addition, the Act generally requires companies to obtain a local cable franchise, and the FCC has adopted rules that interpret and implement this requirement In areas where Verizon offers its facilities-based multichannel video services, Verizon has typically been required to obtain a franchise from local authorities

Wireline Voice

Verizon offers many different wireline voice services including traditional telephone service and other services that rely on newer technologies such as VoIP For regulatory purposes, legacy telephone services are generally considered to be "common carrier" services Common carrier services are subject to heightened regulatory oversight with respect to rates, terms and conditions, and other aspects of the services The FCC has not decided the regulatory classification of VoIP but has said VoIP service providers must comply with certain rules, such as 911 capabilities and law enforcement assistance requirements

Wireless Services

The FCC regulates several aspects of Verizon Wireless' operations Generally, the FCC has jurisdiction over the construction, operation acquisition, and transfer of wireless communications systems And all wireless services require use of radio frequency spectrum, the assignment and distribution of which is subject to FCC oversight Verizon Wireless anticipates that it will need additional spectrum to meet future demand It can meet spectrum needs by purchasing licenses or leasing spectrum from others, or by participating in a competitive bidding process for new spectrum from the FCC Both processes are subject to certain reviews, approvals, and potential conditions

Today, Verizon Wireless holds FCC spectrum licenses that allow it to provide a wide range of mobile and fixed communications services, including both voice and data services FCC spectrum licenses typically have a term of 10 years at which time they are subject to renewal While the FCC has routinely renewed all of Verizon Wireless' licenses, challenges could be raised in the future If a wireless license were revoked or not renewed, Verizon Wireless would not be permitted to provide services on the spectrum Some of our licenses require us to comply with so-called "open access" FCC regulations, which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice, subject to certain technical limitations The FCC has also imposed certain specific mandates on wireless carriers including construction and geographic coverage requirements, technical operating standards, provision of enhanced 911 services, roaming obligations, and requirements for wireless tower and antenna facilities

The Communications Act imposes restrictions on foreign ownership of U S wireless systems The FCC has approved the foreign ownership in Verizon that has resulted from the Wireless Transaction In addition Verizon Wireless Verizon and Vodafone entered into an agreement with the federal government that imposes national security and law enforcement-related obligations on the ways in which Verizon Wireless stores information and otherwise conducts its business

Intercarrier Compensation and Network Access

The FCC regulates some of the rates that carriers pay each other for the exchange voice traffic (particularly traditional wireline traffic) over different networks and other aspects of interconnection for some voice services In many instances, Verizon makes payments to other providers and in turn Verizon receives some payments from other carriers In 2011, the FCC issued a broad reform order changing, among other things the framework for many of the per-minute rates that carriers charge each other for the exchange of voice traffic The new rules gradually reduce many of these rates to zero This order is subject to pending reconsideration petitions and appeals The FCC also regulates some of the rates and terms and conditions for certain wireline "special access" and other services and network facilities Verizon is both a seller and a buyer of these services For example, on the wireline side Verizon sells wholesale circuits to other voice and data service providers On the wireless side Verizon purchases special access and other services to transport traffic to and from cell towers In addition, as required by the Act, Verizon unbundles certain wireline network elements and makes these facilities and services available to other network providers

Universal Service

The Communications Act charges the FCC with ensuring that certain groups and areas have access to communications services, including rural and other high-cost areas, low income subscribers, schools and libraries, rural health-care organizations, and deaf and hard-of-hearing individuals The FCC established different subsidy and discount programs to achieve these goals To pay for these programs, the FCC requires contributions from providers such as Verizon based on reported revenues for certain services Verizon also receives some payments from some of these programs but is a net payer into them

State Regulation and Local Regulation

Wireline Services

State public utility commissions regulate Verizon's telephone operations with respect to certain telecommunications intrastate matters Verizon operates as an "incumbent local exchange carrier" in 14 states These incumbent operations are subject to various levels of pricing flexibility and other state oversight and requirements Verizon also has other wireline operations that are more lightly regulated In addition as a video services operator in many states, Verizon has been required to obtain a cable franchise from local government entities, or in some cases a state-wide franchise, and to comply with certain one-time and ongoing obligations as a result

Wireless Services

The Communications Act generally preempts regulation by state and local governments of the entry of, or the rates charged by, wireless carriers The Act does not prohibit states from regulating the other "terms and conditions" of wireless service For example, some states attempt to regulate wireless customer billing matters and impose reporting requirements Several states also have laws or regulations that address safety issues (e g , use of wireless handsets while driving) and taxation matters In addition, wireless tower and antenna facilities are often subject to state and local zoning and land use regulation, and securing approvals for new or modified facilities is often a lengthy and expensive process

Environmental Matters

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all,
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing,
- significantly increased levels of indebtedness as a result of the Wireless Transaction,
- changes in tax laws or treaties, or in their interpretation,
- adverse conditions in the U.S. and international economies,
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact,
- material changes in technology or technology substitution,
- disruption of our key suppliers' provisioning of products or services,
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks,
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance,
- the effects of competition in the markets in which we operate,
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings,
- significant increases in benefit plan costs or lower investment returns on plan assets, and
- the inability to implement our business strategies.

We, the management of Verizon Communications Inc., are responsible for establishing and maintaining adequate internal control over financial reporting of the company. Management has evaluated internal control over financial reporting of the company using the criteria for effective internal control established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992.

Management has assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2013. Based on this assessment, we believe that the internal control over financial reporting of the company is effective as of December 31, 2013. In connection with this assessment, there were no material weaknesses in the company's internal control over financial reporting identified by management.

The company's financial statements included in this Annual Report have been audited by Ernst & Young LLP, independent registered public accounting firm. Ernst & Young LLP has also provided an attestation report on the company's internal control over financial reporting.

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President and Chief Financial Officer

/s/ Anthony T. Skiadas
Anthony T. Skiadas
Senior Vice President and Controller

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited Verizon Communications Inc. and subsidiaries' (Verizon) internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992 (1992 framework) (the COSO criteria). Verizon's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Verizon maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Verizon as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013 of Verizon and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York

February 27, 2014

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited the accompanying consolidated balance sheets of Verizon Communications Inc. and subsidiaries (Verizon) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of Verizon's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Verizon at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Verizon's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York

February 27, 2014

(dollars in millions except per share amounts)

Years Ended December 31,	2013	2012	2011
Operating Revenues	$ 120,550	$ 115,846	$ 110,875
Operating Expenses			
Cost of services and sales (exclusive of items shown below)	44,887	46,275	45,875
Selling, general and administrative expense	27,089	39,951	35,624
Depreciation and amortization expense	16,606	16,460	16,496
Total Operating Expenses	88,582	102,686	97,995
Operating Income	31,968	13,160	12,880
Equity in earnings of unconsolidated businesses	142	324	444
Other income and (expense) net	(166)	(1,016)	(14)
Interest expense	(2,667)	(2,571)	(2,827)
Income Before (Provision) Benefit For Income Taxes	29,277	9,897	10,483
(Provision) Benefit for income taxes	(5,730)	660	(285)
Net Income	$ 23,547	$ 10,557	$ 10,198
Net income attributable to noncontrolling interests	$ 12,050	$ 9,682	$ 7,794
Net income attributable to Verizon	11,497	875	2,404
Net Income	$ 23,547	$ 10,557	$ 10,198
Basic Earnings Per Common Share			
Net income attributable to Verizon	$ 4.01	$ 31	$ 85
Weighted-average shares outstanding (in millions)	2,866	2,853	2,833
Diluted Earnings Per Common Share			
Net income attributable to Verizon	$ 4.00	$ 31	$ 85
Weighted-average shares outstanding (in millions)	2,874	2,862	2,839

See Notes to Consolidated Financial Statements

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Net Income	$ 23,547	$ 10,557	$ 10,198
Other Comprehensive Income, net of taxes			
Foreign currency translation adjustments	60	69	(119)
Unrealized gain (loss) on cash flow hedges	25	(68)	30
Unrealized gain (loss) on marketable securities	16	29	(7)
Defined benefit pension and postretirement plans	22	936	316
Other comprehensive income attributable to Verizon	123	966	220
Other comprehensive income (loss) attributable to noncontrolling interests	(15)	10	1
Total Comprehensive Income	$ 23,655	$ 11,533	$ 10,419
Comprehensive income attributable to noncontrolling interests	12,035	9,692	7,795
Comprehensive income attributable to Verizon	11,620	1,841	2,624
Total Comprehensive Income	$ 23,655	$ 11,533	$ 10,419

See Notes to Consolidated Financial Statements

(dollars in millions, except per share amounts)

At December 31,	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 53,528	$ 3,093
Short-term investments	601	470
Accounts receivable, net of allowances of $645 and $641	12,439	12,576
Inventories	1,020	1,075
Prepaid expenses and other	3,406	4,021
Total current assets	70,994	21,235
Plant, property and equipment	220,865	209,575
Less accumulated depreciation	131,909	120,933
	88,956	88,642
Investments in unconsolidated businesses	3,432	3,401
Wireless licenses	75,747	77,744
Goodwill	24,634	24,139
Other intangible assets, net	5,800	5,933
Other assets	4,535	4,128
Total assets	$ 274,098	$ 225,222
Liabilities and Equity		
Current liabilities		
Debt maturing within one year	$ 3,933	$ 4,369
Accounts payable and accrued liabilities	16,453	16,182
Other	6,664	6,405
Total current liabilities	27,050	26,956
Long-term debt	89,658	47,618
Employee benefit obligations	27,682	34,346
Deferred income taxes	28,639	24,677
Other liabilities	5,653	6,092
Equity		
Series preferred stock ($.10 par value, none issued)	–	–
Common stock ($.10 par value, 2,967,610,119 shares issued in both periods)	297	297
Contributed capital	37,939	37,990
Reinvested earnings (Accumulated deficit)	1,782	(3,734)
Accumulated other comprehensive income	2,358	2,235
Common stock in treasury, at cost	(3,961)	(4,071)
Deferred compensation – employee stock ownership plans and other	421	440
Noncontrolling interests	56,580	52,376
Total equity	95,416	85,533
Total liabilities and equity	$ 274,098	$ 225,222

See Notes to Consolidated Financial Statements

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Cash Flows from Operating Activities			
Net Income	$ 23,547	$ 10,557	$ 10,198
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization expense	16,606	16,460	16,496
Employee retirement benefits	(5,052)	8,198	7,426
Deferred income taxes	5,785	(952)	(223)
Provision for uncollectible accounts	993	972	1,026
Equity in earnings of unconsolidated businesses, net of dividends received	(102)	77	36
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses			
Accounts receivable	(843)	(1,717)	(966)
Inventories	56	(136)	208
Other assets	(143)	306	86
Accounts payable and accrued liabilities	925	1,144	(1,607)
Other, net	(2,954)	(3,423)	(2,900)
Net cash provided by operating activities	38,818	31,486	29,780
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(16,604)	(16,175)	(16,244)
Acquisitions of investments and businesses, net of cash acquired	(494)	(913)	(1,797)
Acquisitions of wireless licenses	(580)	(4,298)	(221)
Proceeds from dispositions of wireless licenses	2,111	363	–
Net change in short-term investments	63	27	35
Other, net	671	494	977
Net cash used in investing activities	(14,833)	(20,502)	(17,250)
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	49,166	4,489	11,060
Repayments of long-term borrowings and capital lease obligations	(8,163)	(6,403)	(11,805)
Decrease in short-term obligations, excluding current maturities	(142)	(1,437)	1,928
Dividends paid	(5,936)	(5,230)	(5,555)
Proceeds from sale of common stock	85	315	241
Purchase of common stock for treasury	(153)	–	–
Special distribution to noncontrolling interest	(3,150)	(8,325)	–
Other, net	(5,257)	(4,662)	(1,705)
Net cash provided by (used in) financing activities	26,450	(21,253)	(5,836)
Increase (decrease) in cash and cash equivalents	50,435	(10,269)	6,694
Cash and cash equivalents, beginning of period	3,093	13,362	6,668
Cash and cash equivalents, end of period	$ 53,528	$ 3,093	$ 13,362

See Notes to Consolidated Financial Statements

(dollars in millions, except per share amounts, and shares in thousands)

Years Ended December 31,	2013		2012		2011	
	Shares	Amount	Shares	Amount	Shares	Amount
Common Stock						
Balance at beginning of year	2,967,610	$ 297	2,967,610	$ 297	2,967,610	$ 297
Balance at end of year	2,967,610	297	2,967,610	297	2,967,610	297
Contributed Capital						
Balance at beginning of year		37,990		37,919		37,922
Other		(51)		71		(3)
Balance at end of year		37,939		37,990		37,919
Reinvested Earnings (Accumulated Deficit)						
Balance at beginning of year		(3,734)		1,179		4,368
Net income attributable to Verizon		11,497		875		2,404
Dividends declared ($2.09, $2.03, $1.975) per share		(5,981)		(5,788)		(5,593)
Balance at end of year		1,782		(3,734)		1,179
Accumulated Other Comprehensive Income						
Balance at beginning of year attributable to Verizon		2,235		1,269		1,049
Foreign currency translation adjustments		60		69		(119)
Unrealized gains (losses) on cash flow hedges		25		(68)		30
Unrealized gains (losses) on marketable securities		16		29		(7)
Defined benefit pension and postretirement plans		22		936		316
Other comprehensive income		123		966		220
Balance at end of year attributable to Verizon		2,358		2,235		1,269
Treasury Stock						
Balance at beginning of year	(109,041)	(4,071)	(133,594)	(5,002)	(140,587)	(5,267)
Shares purchased	(3,500)	(153)	–	–	–	–
Employee plans (Note 15)	6,835	260	11,434	433	6,982	265
Shareowner plans (Note 15)	96	3	13,119	498	11	–
Balance at end of year	(105,610)	(3,961)	(109,041)	(4,071)	(133,594)	(5,002)
Deferred Compensation-ESOPs and Other						
Balance at beginning of year		440		308		200
Restricted stock equity grant		152		196		146
Amortization		(171)		(64)		(38)
Balance at end of year		421		440		308
Noncontrolling Interests						
Balance at beginning of year		52,376		49,938		48,343
Net income attributable to noncontrolling interests		12,050		9,682		7,794
Other comprehensive income (loss)		(15)		10		1
Total comprehensive income		12,035		9,692		7,795
Distributions and other		(7,831)		(7,254)		(6,200)
Balance at end of year		56,580		52,376		49,938
Total Equity		$95,416		$ 85,533		$ 83,908

See Notes to Consolidated Financial Statements

Note 1

Description of Business and Summary of Significant Accounting Policies

Description of Business

Verizon Communications Inc. (Verizon or the Company) is a holding company, which acting through its subsidiaries is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. We have two reportable segments, Wireless and Wireline. For further information concerning our business segments, see Note 13.

The Wireless segment provides wireless communications services across one of the most extensive wireless networks in the United States (U.S.) and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and third-generation (3G) networks of any U.S. wireless service provider.

The Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

Consolidation

The method of accounting applied to investments, whether consolidated, equity or cost, involves an evaluation of all significant terms of the investments that explicitly grant or suggest evidence of control or influence over the operations of the investee. The consolidated financial statements include our controlled subsidiaries. For controlled subsidiaries that are not wholly-owned, the noncontrolling interests are included in Net income and Total equity. Investments in businesses which we do not control, but have the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. Investments in which we do not have the ability to exercise significant influence over operating and financial policies are accounted for under the cost method. Equity and cost method investments are included in Investments in unconsolidated businesses in our consolidated balance sheets. Certain of our cost method investments are classified as available-for-sale securities and adjusted to fair value pursuant to the accounting standard related to debt and equity securities. All significant intercompany accounts and transactions have been eliminated.

Basis of Presentation

We have reclassified certain prior year amounts to conform to the current year presentation.

Use of Estimates

We prepare our financial statements using U.S. generally accepted accounting principles (GAAP), which require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Examples of significant estimates include: the allowance for doubtful accounts; the recoverability of plant, property and equipment; the recoverability of intangible assets and other long-lived assets; unbilled revenues; fair values of financial instruments; unrecognized tax benefits; valuation allowances on tax assets; accrued expenses; pension and postretirement benefit assumptions; contingencies and allocation of purchase prices in connection with business combinations.

Revenue Recognition

Multiple Deliverable Arrangements

In both our Wireless and Wireline segments, we offer products and services to our customers through bundled arrangements. These arrangements involve multiple deliverables which may include products, services, or a combination of products and services.

Wireless

Our Wireless segment earns revenue primarily by providing access to and usage of its network. In general, access revenue is billed one month in advance and recognized when earned. Usage revenue is generally billed in arrears and recognized when service is rendered. Equipment sales revenue associated with the sale of wireless handsets and accessories is recognized when the products are delivered to and accepted by the customer, as this is considered to be a separate earnings process from providing wireless services. For agreements involving the resale of third-party services in which we are considered the primary obligor in the arrangements, we record the revenue gross at the time of the sale. For equipment sales, we generally subsidize the cost of wireless devices. The amount of this subsidy is generally contingent on the arrangement and terms selected by the customer. In multiple deliverable arrangements which involve the sale of equipment and a service contract, the equipment revenue is recognized up to the amount collected when the wireless device is sold.

Wireline

Our Wireline segment earns revenue based upon usage of its network and facilities and contract fees. In general, fixed monthly fees for voice, video, data and certain other services are billed one month in advance and recognized when earned. Revenue from services that are not fixed in amount and are based on usage is generally billed in arrears and recognized when service is rendered.

We sell each of the services offered in bundled arrangements (i.e., voice, video and data), as well as separately, therefore each product or service has a standalone selling price. For these arrangements revenue is allocated to each deliverable using a relative selling price method. Under this method, arrangement consideration is allocated to each separate deliverable based on our standalone selling price for each product or service. These services include FiOS services, individually or in bundles, and High Speed Internet.

When we bundle equipment with maintenance and monitoring services, we recognize equipment revenue when the equipment is installed in accordance with contractual specifications and ready for the customer's use. The maintenance and monitoring services are recognized monthly over the term of the contract as we provide the services.

Installation related fees along with the associated costs up to but not exceeding these fees, are deferred and amortized over the estimated customer relationship period.

For each of our segments we report taxes imposed by governmental authorities on revenue-producing transactions between us and our customers on a net basis.

Maintenance and Repairs

We charge the cost of maintenance and repairs, including the cost of replacing minor items not constituting substantial betterments, principally to Cost of services and sales as these costs are incurred.

Advertising Costs

Costs for advertising products and services as well as other promotional and sponsorship costs are charged to Selling, general and administrative expense in the periods in which they are incurred (see Note 15).

Earnings Per Common Share

Basic earnings per common share are based on the weighted-average number of shares outstanding during the period. Where appropriate, diluted earnings per common share include the dilutive effect of shares issuable under our stock-based compensation plans.

There were a total of approximately 8 million, 9 million and 6 million stock options and restricted stock units outstanding included in the computation of diluted earnings per common share for the years ended December 31, 2013, 2012 and 2011, respectively. Outstanding options to purchase shares that were not included in the computation of diluted earnings per common share, because to do so would have been anti-dilutive for the period, were not significant for the years ended December 31, 2013 and 2012, respectively, and included approximately 19 million weighted-average shares for the years ended December 31, 2011.

As of December 31, 2013, we were authorized to issue up to 4.25 billion and 250 million shares of common stock and Series Preferred Stock, respectively. On January 28, 2014, at a special meeting of our shareholders, we received shareholder approval to increase our authorized shares of common stock by 2 billion shares to an aggregate of 6.25 billion authorized shares of common stock. On February 4, 2014, this authorization became effective.

Cash and Cash Equivalents

We consider all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates quoted market value and include amounts held in money market funds.

Marketable Securities

We have investments in marketable securities, which are considered "available-for-sale" under the provisions of the accounting standard for certain debt and equity securities, and are included in the accompanying consolidated balance sheets in Short-term investments, Investments in unconsolidated businesses or Other assets. We continually evaluate our investments in marketable securities for impairment due to declines in market value considered to be other-than-temporary. That evaluation includes, in addition to persistent, declining stock prices, general economic and company-specific evaluations. In the event of a determination that a decline in market value is other-than-temporary, a charge to earnings is recorded for the loss, and a new cost basis in the investment is established.

Inventories

Inventory consists of wireless and wireline equipment held for sale, which is carried at the lower of cost (determined principally on either an average cost or first-in, first-out basis) or market.

Plant and Depreciation

We record plant, property and equipment at cost. Plant, property and equipment of wireline and wireless operations are generally depreciated on a straight-line basis.

Leasehold improvements are amortized over the shorter of the estimated life of the improvement or the remaining term of the related lease, calculated from the time the asset was placed in service.

When the depreciable assets of our wireline and wireless operations are retired or otherwise disposed of, the related cost and accumulated depreciation are deducted from the plant accounts, and any gains or losses on disposition are recognized in income.

We capitalize and depreciate network software purchased or developed along with related plant assets. We also capitalize interest associated with the acquisition or construction of network-related assets. Capitalized interest is reported as a reduction in interest expense and depreciated as part of the cost of the network-related assets.

In connection with our ongoing review of the estimated remaining average useful lives of plant, property and equipment at our local telephone operations, we determined that there were no changes necessary for average useful lives for 2013, 2012 and 2011. In connection with our ongoing review of the estimated remaining average useful lives of plant, property and equipment at our wireless operations, we determined that changes were necessary to the remaining estimated useful lives as a result of technology upgrades, enhancements, and planned retirements. These changes resulted in an increase in depreciation expense of $0.4 billion in 2011. While the timing and extent of current deployment plans are subject to ongoing analysis and modification, we believe the current estimates of useful lives are reasonable.

Computer Software Costs

We capitalize the cost of internal-use network and non-network software that has a useful life in excess of one year. Subsequent additions, modifications or upgrades to internal-use network and non-network software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Planning, software maintenance and training costs are expensed in the period in which they are incurred. Also, we capitalize interest associated with the development of internal-use network and non-network software. Capitalized non-network internal-use software costs are amortized using the straight-line method over a period of 3 to 7 years and are included in Other intangible assets, net in our consolidated balance sheets. For a discussion of our impairment policy for capitalized software costs, see "Goodwill and Other Intangible Assets" below. Also, see Note 3 for additional detail of internal-use non-network software reflected in our consolidated balance sheets.

Goodwill and Other Intangible Assets

Goodwill

Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. Impairment testing for goodwill is performed annually in the fourth fiscal quarter or more frequently if impairment indicators are present. The Company has the option to perform a qualitative assessment to determine if the fair value of the entity is less than its carrying value. However, the Company may elect to perform an impairment test even if no indications of a potential impairment exist. The impairment test for goodwill uses a two-step approach, which is performed at the reporting unit level. We have determined that in our case, the reporting units are our operating segments since that is the lowest level at which discrete, reliable financial and cash flow information is available. Step one compares the fair value of the reporting unit (calculated using a market approach and/or a discounted cash flow method) to its carrying value. If the carrying value exceeds the fair value, there is a potential impairment and step two must be performed. Step two compares the carrying value of the reporting unit's goodwill to its implied fair value (i.e., fair value of reporting unit less the fair value of the unit's assets and liabilities, including identifiable intangible assets). If the implied fair value of goodwill is less than the carrying amount of goodwill, an impairment is recognized.

Intangible Assets Not Subject to Amortization

A significant portion of our intangible assets are wireless licenses that provide our wireless operations with the exclusive right to utilize designated radio frequency spectrum to provide wireless communication services. While licenses are issued for only a fixed time, generally ten years, such licenses are subject to renewal by the Federal Communications Commission (FCC). License renewals have occurred routinely and at nominal cost. Moreover, we have determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses. As a result, we treat the wireless licenses as an indefinite-lived intangible asset. We reevaluate the useful life determination for wireless licenses each year to determine whether events and circumstances continue to support an indefinite useful life.

We test our wireless licenses for potential impairment annually. In 2013, we performed a qualitative assessment to determine whether it is more likely than not that the fair value of our wireless licenses was less than the carrying amount. As part of our assessment, we considered several qualitative factors including the business enterprise value of Wireless, macroeconomic conditions (including changes in interest rates and discount rates), industry and market considerations (including industry revenue and EBITDA (Earnings before interest, taxes, depreciation and amortization) margin projections), the projected financial performance of Wireless, as well as other factors. In 2012 and 2011, our quantitative assessment consisted of comparing the estimated fair value of our wireless licenses to the aggregated carrying amount as of the test date. Using the quantitative assessment, we evaluated our licenses on an aggregate basis using a direct value approach. The direct value approach estimates fair value using a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date. If the fair value of the aggregated wireless licenses is less than the aggregated carrying amount of the licenses, an impairment is recognized.

Interest expense incurred while qualifying activities are performed to ready wireless licenses for their intended use is capitalized as part of wireless licenses. The capitalization period ends when the development is discontinued or substantially complete and the license is ready for its intended use.

Intangible Assets Subject to Amortization and Long-Lived Assets

Our intangible assets that do not have indefinite lives (primarily customer lists and non-network internal-use software) are amortized over their estimated useful lives. All of our intangible assets subject to amortization and long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any indications were present, we would test for recoverability by comparing the carrying amount of the asset group to the net undiscounted cash flows expected to be generated from the asset group. If those net undiscounted cash flows do not exceed the carrying amount, we would perform the next step, which is to determine the fair value of the asset and record an impairment, if any. We reevaluate the useful life determinations for these intangible assets each year to determine whether events and circumstances warrant a revision in their remaining useful lives.

For information related to the carrying amount of goodwill by segment, wireless licenses and other intangible assets, as well as the major components and average useful lives of our other acquired intangible assets, see Note 3.

Fair Value Measurements

Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities
Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities
Level 3—No observable pricing inputs in the market

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Income Taxes

Our effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations and tax planning strategies available to us in the various jurisdictions in which we operate.

Deferred income taxes are provided for temporary differences in the bases between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at tax rates then in effect. We record valuation allowances to reduce our deferred tax assets to the amount that is more likely than not to be realized.

We use a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return The first step is recognition we determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information The second step is measurement a tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in one or more of the following an increase in a liability for income taxes payable, a reduction of an income tax refund receivable, a reduction in a deferred tax asset, or an increase in a deferred tax liability

The accounting standard relating to income taxes generated by leveraged lease transactions requires that changes in the projected timing of income tax cash flows generated by a leveraged lease transaction be recognized as a gain or loss in the year in which the change occurs

Significant management judgment is required in evaluating our tax positions and in determining our effective tax rate

Stock-Based Compensation

We measure and recognize compensation expense for all stock-based compensation awards made to employees and directors based on estimated fair values See Note 10 for further details

Foreign Currency Translation

The functional currency of our foreign operations is generally the local currency For these foreign entities we translate income statement amounts at average exchange rates for the period and we translate assets and liabilities at end-of-period exchange rates We record these translation adjustments in Accumulated other comprehensive income, a separate component of Equity, in our consolidated balance sheets We report exchange gains and losses on intercompany foreign currency transactions of a long-term nature in Accumulated other comprehensive income Other exchange gains and losses are reported in income

Employee Benefit Plans

Pension and postretirement health care and life insurance benefits earned during the year as well as interest on projected benefit obligations are accrued currently Prior service costs and credits resulting from changes in plan benefits are generally amortized over the average remaining service period of the employees expected to receive benefits Expected return on plan assets is determined by applying the return on assets assumption to the actual fair value of plan assets Actuarial gains and losses are recognized in operating results in the year in which they occur These gains and losses are measured annually as of December 31 or upon a remeasurement event Verizon management employees no longer earn pension benefits or earn service towards the company retiree medical subsidy (see Note 11)

We recognize a pension or a postretirement plan's funded status as either an asset or liability on the consolidated balance sheets Also, we measure any unrecognized prior service costs and credits that arise during the period as a component of Accumulated other comprehensive income, net of applicable income tax

Derivative Instruments

We have entered into derivative transactions primarily to manage our exposure to fluctuations in foreign currency exchange rates, interest rates, equity and commodity prices We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars interest rate and commodity swap agreements and interest rate locks We do not hold derivatives for trading purposes

We measure all derivatives, including derivatives embedded in other financial instruments, at fair value and recognize them as either assets or liabilities on our consolidated balance sheets Our derivative instruments are valued primarily using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified as Level 2 Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item Changes in the fair value of the effective portions of cash flow hedges are reported in Other comprehensive income and recognized in earnings when the hedged item is recognized in earnings

Recently Adopted Accounting Standards

During the first quarter of 2013, we adopted the accounting standard update regarding testing of intangible assets for impairment This standard update allows companies the option to perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not the asset is impaired The adoption of this standard update did not have an impact on our consolidated financial statements

During the first quarter of 2013, we adopted the accounting standard update regarding reclassifications out of Accumulated other comprehensive income This standard update requires companies to report the effect of significant reclassifications out of Accumulated other comprehensive income on the respective line items in our consolidated statements of income if the amount being reclassified is required to be reclassified in its entirety to net income For other amounts that are not required to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference to other required disclosures that provide additional detail about those amounts See Note 14 for additional details

During the third quarter of 2013, we adopted the accounting standard update regarding the ability to use the Federal Funds Effective Swap Rate as a U S benchmark interest rate for hedge accounting purposes Previously the interest rates on direct Treasury obligations of the U S government and the London Interbank Offered Rate (LIBOR) were considered to be the only benchmark interest rates The adoption of this standard update did not have a significant impact on our consolidated financial statements

Recent Accounting Standards

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists was issued The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed We will adopt this standard update during the first quarter of 2014 We are currently evaluating the consolidated balance sheet impact related to this standard update

Note 2

Acquisitions and Divestitures

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone s indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion

On February 21 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc , a subsidiary of Seller (VF1 Inc), which indirectly through certain subsidiaries (together with VF1 Inc , the Purchased Entities) owned the Vodafone Interest In consideration for the Transferred Shares upon completion of the Wireless Transaction, Verizon (i) paid approximately $58 89 billion in cash, (ii) issued approximately $60 15 billion of Verizon's common stock, par value $0 10 per share (the Stock Consideration), (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5 0 billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23 1% interest in Vodafone Omnitel N V (Omnitel, and such interest, the Omnitel Interest), valued at $3 5 billion and (v) provided other consideration of approximately $2 5 billion As a result of the Wireless Transaction, Verizon issued approximately 1 27 billion shares The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness See Note 8 for additional information

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted As a result, we will account for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in Verizon Wireless Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted will be recognized in equity attributable to Verizon

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also implemented the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement We will recognize a gain on the disposal of the Omnitel interest in the first quarter of 2014

Verizon Notes

The Verizon Notes were issued pursuant to Verizon's existing indenture The Verizon Notes were issued in two separate series, with $2 5 billion due February 21, 2022 and $2 5 billion due February 21, 2025 The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372% The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series Beginning two years after the closing of the Wireless Transaction Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017 The Verizon Notes held by third parties will not be redeemable Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable

Other Consideration

Included in the other consideration paid to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares will be classified as liability instruments and will be recorded at fair value as determined at the closing of the Wireless Transaction.

Pro Forma Information

The unaudited pro forma information presents the combined operating results of Verizon and the Vodafone Interest, with the results prior to the Wireless Transaction closing date adjusted to include the pro forma impact of: the elimination of the historical equity in earnings, net of tax, related to the investment in Omnitel; an adjustment to reflect interest expense associated with the additional indebtedness incurred and expected to be incurred in connection with the Wireless Transaction and outstanding as of the closing of the Wireless Transaction; an adjustment for the dividends on the Preferred Stock; an adjustment for the amortization of certain debt incurrence costs based on the contractual life of the underlying indebtedness; an adjustment to reflect changes in the provision for income taxes associated with the additional income attributable to Verizon and the benefit associated with the additional interest expense; the elimination of the historical net income attributable to noncontrolling interests representing the noncontrolling interest in Verizon Wireless; and an adjustment to reflect the sum of all other adjustments to the pro forma condensed consolidated statements of income on net income attributable to Verizon.

The unaudited pro forma results are presented for illustrative purposes only. These pro forma results do not purport to be indicative of the results that would have actually been obtained if the Wireless Transaction had occurred as of January 1, 2012, nor does the pro forma data intend to be a projection of results that may be obtained in the future.

The following unaudited pro forma consolidated results of operations assume that the Wireless Transaction was completed as of January 1, 2012.

	(dollars in millions)	
Years ended December 31,	2013	2012
Net income attributable to Verizon	$ 17,058	$ 4,449

Spectrum License Transactions

Since 2012, we have entered into several strategic spectrum transactions including:

- During the third quarter of 2012, after receiving the required regulatory approvals, Verizon Wireless completed the following previously announced transactions in which we acquired wireless spectrum that will be used to deploy additional 4G LTE capacity:
  - Verizon Wireless acquired Advanced Wireless Services (AWS) spectrum in separate transactions with SpectrumCo and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. Verizon Wireless has also recorded a liability of $0.4 billion related to a three-year service obligation to SpectrumCo's members pursuant to commercial agreements executed concurrently with the SpectrumCo transaction.
  - Verizon Wireless completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA, Inc. (T-Mobile USA). As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and Personal Communication Services (PCS) licenses at fair value and net cash proceeds of $0.2 billion, transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless, and recorded an immaterial gain.
- During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value and recorded an immaterial gain.
- During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T Inc. (AT&T) in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense, on our consolidated statement of income for the year ended December 31, 2013.
- During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the FCC and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these agreements, $0.9 billion of Wireless licenses are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013. Upon completion of the transaction, we expect to record an immaterial gain.
- Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.

Other

During 2013, we acquired various other wireless licenses and markets for cash consideration that was not significant. Additionally, we obtained control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated, which resulted in an immaterial gain. We recorded $0.2 billion of goodwill as a result of these transactions.

During 2012, we acquired various other wireless licenses and markets for cash consideration that was not significant and recorded $0.2 billion of goodwill as a result of these transactions.

Wireline

HUGHES Telematics, Inc.

During July 2012, we acquired HUGHES Telematics, Inc. (HUGHES Telematics) for approximately $12 per share in cash for a total acquisition price of $0.6 billion. As a result of the transaction, HUGHES Telematics became a wholly-owned subsidiary of Verizon. The consolidated financial statements include the results of HUGHES Telematics' operations from the date the acquisition closed. Upon closing, we recorded approximately $0.6 billion of goodwill, $0.1 billion of other intangibles, and assumed the debt obligations of HUGHES Telematics, which were approximately $0.1 billion as of the date of acquisition and which were repaid by Verizon. Had this acquisition been completed on January 1, 2012 or 2011, the results of the acquired operations of HUGHES Telematics would not have had a significant impact on the consolidated net income attributable to Verizon. The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers.

The acquisition of HUGHES Telematics was accounted for as a business combination under the acquisition method. The cost of the acquisition was allocated to the assets and liabilities acquired based on their fair values as of the close of the acquisition, with the excess amount being recorded as goodwill.

Terremark Worldwide, Inc.

During April 2011, we acquired Terremark Worldwide, Inc. (Terremark), a global provider of information technology infrastructure and cloud services, for $19 per share in cash. Closing and other direct acquisition-related costs totaled approximately $13 million after-tax. The acquisition was completed via a tender offer followed by a "short-form" merger under Delaware law through which Terremark became a wholly-owned subsidiary of Verizon. The acquisition enhanced Verizon's offerings to business and government customers globally.

The consolidated financial statements include the results of Terremark's operations from the date the acquisition closed. Had this acquisition been consummated on January 1, 2011, the results of Terremark's acquired operations would not have had a significant impact on the consolidated net income attributable to Verizon. The debt obligations of Terremark that were outstanding at the time of its acquisition by Verizon were repaid during May 2011.

Other

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Upon closing, we recorded $0.3 billion of goodwill. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. The consolidated financial statements include the results of the operations of each of these acquisitions from the date each acquisition closed.

On January 21, 2014, Verizon announced an agreement to acquire a business dedicated to the development of cloud television products and services for cash consideration that was not significant. The transaction, which was completed in February 2014, is expected to accelerate the availability of next-generation video services.

Note 6
Wireless Licenses, Goodwill and Other Intangible Assets

Wireless Licenses

Changes in the carrying amount of Wireless licenses are as follows:

	(dollars in millions)
Balance at January 1, 2012	$ 73,250
Acquisitions (Note 2)	4,544
Capitalized interest on wireless licenses	205
Reclassifications, adjustments and other	(255)
Balance at December 31, 2012	$ 77,744
Acquisitions (Note 2)	579
Dispositions (Note 2)	(2,361)
Capitalized interest on wireless licenses	566
Reclassifications, adjustments and other	(781)
Balance at December 31, 2013	$ 75,747

Reclassifications, adjustments and other includes $0.9 billion of Wireless licenses that are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013 as well as the exchanges of wireless licenses in 2013 and 2012. See Note 2 for additional details.

At December 31, 2013 and 2012, approximately $7.7 billion and $7.3 billion, respectively, of wireless licenses were under development for commercial service for which we were capitalizing interest costs.

The average remaining renewal period of our wireless license portfolio was 5.1 years as of December 31, 2013. See Note 1 for additional details.

Goodwill

Changes in the carrying amount of Goodwill are as follows:

	Wireless	Wireline	(dollars in millions) Total
Balance at January 1, 2012	$ 17,963	$ 5,394	$ 23,357
Acquisitions (Note 2)	209	551	760
Reclassifications, adjustments and other	–	22	22
Balance at December 31, 2012	$ 18,172	$ 5,967	$ 24,139
Acquisitions (Note 2)	204	291	495
Balance at December 31, 2013	$ 18,376	$ 6,258	$ 24,634

The increase in Goodwill at Wireless at December 31, 2013 was primarily due to obtaining control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated. This resulted in an immaterial gain recorded during the year ended December 31, 2013. The increase in Goodwill at Wireline at December 31, 2013 was primarily due to the acquisition of a provider of content delivery networks.

Other Intangible Assets

The following table displays the composition of Other intangible assets, net:

At December 31,	2013 Gross Amount	2013 Accumulated Amortization	2013 Net Amount	2012 Gross Amount	2012 Accumulated Amortization	2012 Net Amount
						(dollars in millions)
Customer lists (5 to 13 years)	$ 3,639	$ (2,660)	$ 979	$ 3,556	$ (2,338)	$ 1,218
Non-network internal-use software (3 to 7 years)	11,770	(7,317)	4,453	10,415	(6,210)	4,205
Other (2 to 25 years)	691	(323)	368	802	(292)	510
Total	$ 16,100	$ (10,300)	$ 5,800	$ 14,773	$ (8,840)	$ 5,933

The amortization expense for Other intangible assets was as follows:

Years	(dollars in millions)
2013	$ 1,587
2012	1,540
2011	1,505

Estimated annual amortization expense for Other intangible assets is as follows:

Years	(dollars in millions)
2014	$ 1,486
2015	1,215
2016	971
2017	784
2018	619

Note 7
Plant, Property and Equipment

The following table displays the details of Plant, property and equipment, which is stated at cost:

At December 31,	Lives (years)	2013	2012
			(dollars in millions)
Land	–	$ 819	$ 859
Buildings and equipment	15-45	23,857	22,909
Central office and other network equipment	3-15	121,594	113,262
Cable, poles and conduit	11-50	55,240	53,761
Leasehold improvements	5-20	5,877	5,404
Work in progress	–	4,176	4,126
Furniture, vehicles and other	3-20	9,302	9,254
		220,865	209,575
Less accumulated depreciation		131,909	120,933
Total		$ 88,956	$ 88,642

Note 8
Investments in Unconsolidated Businesses

Our investments in unconsolidated businesses are comprised of the following:

At December 31,	Ownership	2013	2012
			(dollars in millions)
Equity Investees			
Vodafone Omnitel	23.1%	$ 2,511	$ 2,200
Other	Various	818	1,106
Total equity investees		3,329	3,306
Cost Investees	Various	103	95
Total investments in unconsolidated businesses		$ 3,432	$ 3,401

Dividends and repatriations of foreign earnings received from these investees were not significant in 2013, $0.4 billion in 2012 and $0.5 billion in 2011. See Note 12 regarding undistributed earnings of our foreign subsidiaries.

Equity Method Investments

Vodafone Omnitel

Vodafone Omnitel N.V. (Vodafone Omnitel) is one of the largest wireless communications companies in Italy. At December 31, 2013 and 2012, our investment in Vodafone Omnitel included goodwill of $1.1 billion and $1.0 billion, respectively. As part of the consideration of the Wireless Transaction, a subsidiary of Verizon sold its entire ownership interest in Vodafone Omnitel to a subsidiary of Vodafone on February 21, 2014. See Note 2 for additional information.

Other Equity Investees

The remaining investments include wireless partnerships in the U.S., limited partnership investments in entities that invest in affordable housing projects and other smaller domestic and international investments.

Summarized Financial Information

Summarized financial information for our equity investees is as follows:

Balance Sheet

At December 31,	2013	2012
	(dollars in millions)	
Current assets	$ 3,983	$ 3,516
Noncurrent assets	7,748	8,159
Total assets	$ 11,731	$ 11,675
Current liabilities	$ 4,692	$ 5,526
Noncurrent liabilities	5	5
Equity	7,034	6,144
Total liabilities and equity	$ 11,731	$ 11,675

Income Statement

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Net revenue	$ 8,984	$ 10,825	$ 12,668
Operating income	1,632	2,823	4,021
Net income	925	1,679	2,451

Note 9
Noncontrolling Interests

Noncontrolling interests in equity of subsidiaries were as follows:

At December 31	2013	2012
	(dollars in millions)	
Verizon Wireless	$ 55,465	$ 51,492
Wireless partnerships and other	1,115	884
	$ 56,580	$ 52,376

Wireless Joint Venture

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless (Verizon Wireless). Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, Verizon completed the Wireless Transaction and acquired 100% ownership of Verizon Wireless. See Note 2 for additional information.

Special Distributions

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7.0 billion. As a result, Vodafone received a cash payment of $3.15 billion and the remainder of the distribution was received by Verizon.

In November 2012, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the fourth quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $8.5 billion. As a result, Vodafone received a cash payment of $3.8 billion and the remainder of the distribution was received by Verizon.

In July 2011, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the first quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $10 billion. As a result, Vodafone received a cash payment of $4.5 billion and the remainder of the distribution was received by Verizon.

Note 10
Leasing Arrangements

As Lessor

We are the lessor in leveraged and direct financing lease agreements for commercial aircraft and power generating facilities, which comprise the majority of our leasing portfolio, along with telecommunications equipment, commercial real estate property and other equipment. These leases have remaining terms of up to 37 years as of December 31, 2013. In addition, we lease space on certain of our cell towers to other wireless carriers. Minimum lease payments receivable represent unpaid rentals, less principal and interest on third-party nonrecourse debt relating to leveraged lease transactions. Since we have no general liability for this debt, which is secured by a senior security interest in the leased equipment and rentals, the related principal and interest have been offset against the minimum lease payments receivable in accordance with U.S. GAAP. All recourse debt is reflected in our consolidated balance sheets.

At each reporting period, we monitor the credit quality of the various lessees in our portfolios. Regarding the leveraged lease portfolio, external credit reports are used where available and where not available we use internally developed indicators. These indicators or internal credit risk grades factor historic loss experience, the value of the underlying collateral, delinquency trends, and industry and general economic conditions. The credit quality of our lessees varies from AAA to CCC-1. For each reporting period the leveraged leases within the portfolio are reviewed for indicators of impairment where it is probable the rent due according to the contractual terms of the lease will not be collected. All significant accounts, individually or in the aggregate, are current and none are classified as impaired.

Finance lease receivables, which are included in Prepaid expenses and other and Other assets in our consolidated balance sheets, are comprised of the following

(dollars in millions)

At December 31,	2013			2012		
	Leveraged Leases	Direct Finance Leases	Total	Leveraged Leases	Direct Finance Leases	Total
Minimum lease payments receivable	$ 1,069	$ 16	$ 1,085	$ 1,253	$ 58	$ 1,311
Estimated residual value	780	5	785	923	6	929
Unearned income	(589)	(4)	(593)	(654)	(10)	(664)
Total	$ 1,260	$ 17	$ 1,277	$ 1,522	$ 54	$ 1,576
Allowance for doubtful accounts			(90)			(99)
Finance lease receivables, net			$ 1,187			$ 1,477
Prepaid expenses and other			$ 5			$ 22
Other assets			1,182			1,455
			$ 1,187			$ 1,477

Accumulated deferred taxes arising from leveraged leases, which are included in Deferred income taxes, amounted to $1.0 billion at December 31, 2013 and $1.2 billion at December 31, 2012

The following table is a summary of the components of income from leveraged leases

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Pre-tax income	$ 34	$ 30	$ 61
Income tax expense	12	12	24

The future minimum lease payments to be received from noncancelable capital leases (direct financing and leveraged leases) net of nonrecourse loan payments related to leveraged leases and allowances for doubtful accounts, along with expected receipts relating to operating leases for the periods shown at December 31, 2013, are as follows

(dollars in millions)

Years	Capital Leases	Operating Leases
2014	$ 34	$ 197
2015	46	170
2016	114	142
2017	38	50
2018	56	23
Thereafter	797	19
Total	$ 1,085	$ 601

As Lessee

We lease certain facilities and equipment for use in our operations under both capital and operating leases Total rent expense under operating leases amounted to $2.6 billion in 2013 and $2.5 billion in 2012 and 2011, respectively

Amortization of capital leases is included in Depreciation and amortization expense in the consolidated statements of income Capital lease amounts included in Plant, property and equipment are as follows

(dollars in millions)

At December 31	2013	2012
Capital leases	$ 353	$ 358
Less accumulated amortization	188	158
Total	$ 165	$ 200

The aggregate minimum rental commitments under noncancelable leases for the periods shown at December 31, 2013, are as follows

(dollars in millions)

Years	Capital Leases	Operating Leases
2014	$ 110	$ 2,255
2015	70	2,020
2016	54	1,703
2017	46	1,379
2018	20	1,085
Thereafter	83	3,748
Total minimum rental commitments	383	$ 12,190
Less interest and executory costs	90	
Present value of minimum lease payments	293	
Less current installments	91	
Long-term obligation at December 31, 2013	$ 202	

Debt

Changes to debt during 2013 are as follows

(dollars in millions)

	Debt Maturing within One Year	Long-term Debt	Total
Balance at January 1, 2013	$ 4,369	$ 47,618	$ 51,987
Proceeds from long-term borrowings	–	49,166	49,166
Repayments of long-term borrowings and capital lease obligations	(3,943)	(4,220)	(8,163)
Decrease in short-term obligations, excluding current maturities	(142)	–	(142)
Reclassifications of long-term debt	3,328	(3,328)	–
Other	321	422	743
Balance at December 31, 2013	$ 3,933	$ 89,658	$ 93,591

Debt maturing within one year is as follows

(dollars in millions)

At December 31	2013	2012
Long-term debt maturing within one year	$ 3,486	$ 3,869
Commercial paper and other	447	500
Total debt maturing within one year	$ 3,933	$ 4,369

The weighted-average interest rate for our commercial paper outstanding was 0.2% and 0.4% at December 31 2013 and 2012, respectively

Credit Facilities

On August 13, 2013 we amended our $6.2 billion credit facility with a group of major financial institutions to extend the maturity date to August 12, 2017 As of December 31 2013, the unused borrowing capacity under this credit facility was approximately $6.1 billion

During October 2013, we entered into a $2.0 billion 364-day revolving credit agreement with a group of major financial institutions Although effective as of October 2013, we could not draw on this revolving credit agreement prior to the completion of the Wireless Transaction We may use borrowings under the 364-day credit agreement for general corporate purposes The 364-day revolving credit agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition, this agreement requires us to maintain a leverage ratio (as defined in the agreement) not in excess of 3.50 1.00, until our credit ratings reach a certain level

Long-Term Debt

Outstanding long-term debt obligations are as follows

(dollars in millions)

At December 31,	Interest Rates %	Maturities	2013	2012
Verizon Communications—notes payable and other	0.50 – 3.85	2014 – 2042	$ 20,416	$ 11,198
	4.50 – 5.50	2015 – 2041	20,226	7,062
	5.55 – 6.90	2016 – 2043	31,965	11,031
	7.35 – 8.95	2018 – 2039	5,023	5,017
	Floating	2014 – 2018	5,500	1,000
Verizon Wireless—notes payable and other	8.50 – 8.88	2015 – 2018	3,931	8,635
Verizon Wireless—Alltel assumed notes	6.80 – 7.88	2016 – 2032	1,300	1,500
Telephone subsidiaries—debentures	5.13 – 6.86	2027 – 2033	1,075	2,045
	7.38 – 7.88	2022 – 2032	1,099	1,349
	8.00 – 8.75	2019 – 2031	880	880
Other subsidiaries—debentures and other	6.84 – 8.75	2018 – 2028	1,700	1,700
Capital lease obligations (average rate of 8.1% and 6.3% in 2013 and 2012, respectively)			293	298
Unamortized discount, net of premium			(264)	(228)
Total long-term debt, including current maturities			93,144	51,487
Less long-term debt maturing within one year			3,486	3,869
Total long-term debt			$ 89,658	$ 47,618

2013

During March 2013, we issued $0.5 billion aggregate principal amount of floating rate Notes due 2015 in a private placement resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs The proceeds were used for the repayment of commercial paper

During April 2013, $1.25 billion of 5.25% Verizon Communications Notes matured and were repaid In addition, during June 2013, $0.5 billion of 4.375% Verizon Communications Notes matured and were repaid

During September 2013, in connection with the Wireless Transaction, we issued $49.0 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $48.7 billion, net of discounts and issuance costs The issuances consisted of the following $2.25 billion aggregate principal amount of floating rate Notes due 2016 that bear interest at a rate equal to three-month LIBOR plus 1.53% which rate will be reset quarterly, $1.75 billion aggregate principal amount of floating rate Notes due 2018 that bear interest at a rate equal to three-month LIBOR plus 1.75% which rate will be reset quarterly, $4.25 billion aggregate principal amount of 2.50% Notes due 2016, $4.75 billion aggregate principal amount of 3.65% Notes due 2018, $4.0 billion aggregate principal amount of 4.50% Notes due 2020 $11.0 billion aggregate principal amount of 5.15% Notes due 2023 $6.0 billion aggregate principal amount of 6.40% Notes due 2033 and $15.0 billion aggregate principal amount of 6.55% Notes due 2043 (collectively, the new notes) The proceeds of the new notes were used to finance, in part, the Wireless Transaction and to pay related fees and expenses As a result of the issuance of the new notes, we incurred interest expense related to the Wireless Transaction of $0.7 billion during 2013

In addition, during 2013 we utilized $0.2 billion under fixed rate vendor financing facilities

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, €1.25 billion aggregate principal amount of 3.25% Notes due 2026 and £0.85 billion aggregate principal amount of 4.75% Notes due 2034 The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs The net proceeds were used, in part, to finance the Wireless Transaction Any net proceeds not used to finance the Wireless Transaction will be used for general corporate purposes Also, during February 2014, we issued $0.5 billion aggregate principal amount of 5.9% Retail Notes due 2054 resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs The proceeds will be used for general corporate purposes

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5.0 billion aggregate principal amount of floating rate notes The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025 The Verizon Notes bear interest at a floating rate, which will be reset quarterly with interest payable quarterly in arrears, beginning May 21, 2014 (see Note 2) The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%

Term Loan Agreement

During October 2013, we entered into a term loan agreement with a group of major financial institutions pursuant to which we drew $6.6 billion to finance, in part, the Wireless Transaction and to pay transaction costs Half of any loans under the term loan agreement have a maturity of three years and the other half have a maturity of five years (the 5-Year Loans) The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding Loans under the term loan agreement bear interest at floating rates The term loan agreement contains certain negative covenants including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50 1.00, until our credit ratings reach a certain level

Bridge Credit Agreement

During September 2013, we entered into a $61.0 billion bridge credit agreement with a group of major financial institutions The credit agreement provided us with the ability to borrow up to $61.0 billion to finance in part, the Wireless Transaction and to pay related transaction costs Following the September 2013 issuance of notes, borrowing availability under the bridge credit agreement was reduced to $12.0 billion. Following the effectiveness of the term loan agreement in October 2013, the bridge credit agreement was terminated in accordance with its terms and as such, the related fees of $0.2 billion were recognized in Other income and (expense), net during the fourth quarter of 2013

2012

On November 2 2012, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the outstanding $1.25 billion aggregate principal amount of 8.95% Verizon Communications Notes due 2039 In the Tender Offer that was completed November 9, 2012, $0.9 billion aggregate principal amount of the notes was purchased at a price of 186.5% of the principal amount of the notes (see "Early Debt Redemption and Other Costs") and $0.35 billion principal amount of the notes remained outstanding Any accrued and unpaid interest on the principal purchased was paid to the date of purchase

During November 2012, we issued $4 5 billion aggregate principal amount of fixed rate notes resulting in cash proceeds of approximately $4 47 billion net of discounts and issuance costs The issuances consisted of the following $1 0 billion of 0 70% Notes due 2015, $0 5 billion of 1 10% Notes due 2017, $1 75 billion of 2 45% Notes due 2022 and $1 25 billion of 3 85% Notes due 2042 During December 2012, the net proceeds were used to redeem $0 7 billion of the $2 0 billion of 8 75% Notes due November 2018 at a redemption price of 140 2% of the principal amount of the notes (see "Early Debt Redemption and Other Costs"), $0 75 billion of 4 35% Notes due February 2013 at a redemption price of 100 7% of the principal amount of the notes and certain telephone subsidiary debt (see "Telephone and Other Subsidiary Debt"), as well as for the Tender Offer and other general corporate purposes Any accrued and unpaid interest was paid to the date of redemption

In addition, during 2012 we utilized $0 2 billion under fixed rate vendor financing facilities

Verizon Wireless – Notes Payable and Other

Verizon Wireless Capital LLC, a wholly-owned subsidiary of Verizon Wireless, is a limited liability company formed under the laws of Delaware on December 7, 2001 as a special purpose finance subsidiary to facilitate the offering of debt securities of Verizon Wireless by acting as co-issuer Other than the financing activities as a co-issuer of Verizon Wireless indebtedness, Verizon Wireless Capital LLC has no material assets, operations or revenues Verizon Wireless is jointly and severally liable with Verizon Wireless Capital LLC for co-issued notes

2013

During November 2013, $1 25 billion of 7 375% Verizon Wireless Notes and $0 2 billion of 6 50% Verizon Wireless Notes matured and were repaid Also during November 2013, Verizon Wireless redeemed $3 5 billion of 5 55% Notes, due February 1, 2014 at a redemption price of 101% of the principal amount of the notes Any accrued and unpaid interest was paid to the date of redemption

2012

During February 2012, $0 8 billion of 5 25% Verizon Wireless Notes matured and were repaid During July 2012, $0 8 billion of 7 0% Verizon Wireless Notes matured and were repaid

Telephone and Other Subsidiary Debt

2013

During May 2013, $0 1 billion of 7 0% Verizon New York Inc Debentures matured and were repaid During June 2013, $0 1 billion of 7 0% Verizon New York Inc Debentures matured and were repaid In addition, during June 2013, we redeemed $0 25 billion of 7 15% Verizon Maryland LLC Debentures, due May 2023 at a redemption price of 100% of the principal amount of the debentures During October 2013 $0 3 billion of 4 75% Verizon New England Inc Debentures matured and were repaid. During November 2013, we redeemed $0 3 billion of 6 70% Verizon New York Inc Debentures, due November 2023 at a redemption price of 100% of the principal amount of the debentures During December 2013, we redeemed $0 2 billion of 7 0% Verizon New York Inc Debentures, due December 2033 at a redemption price of 100% of the principal amount of the debentures and $20 million of 7 0% Verizon Delaware LLC Debentures, due Decembet 2023 at a redemption price of 100% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date of redemption

2012

During January 2012, $1 0 billion of 5 875% Verizon New Jersey Inc Debentures matured and were repaid During December 2012, we redeemed the $1 0 billion of 4 625% Verizon Virginia LLC Debentures Series A due March 2013 at a redemption price of 101 1% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date of redemption

In addition, during 2012, various Telephone and Other Subsidiary Debentures totaling approximately $0 2 billion were repaid and any accrued and unpaid interest was paid to the date of payment

Early Debt Redemption and Other Costs

During November 2012, we recorded debt redemption costs of $0 8 billion in connection with the purchase of $0 9 billion of the $1 25 billion of 8 95% Verizon Communications Notes due 2039 in a cash tender offer

During December 2012, we recorded debt redemption costs of $0 3 billion in connection with the early redemption of $0 7 billion of the $2 0 billion of 8 75% Verizon Communications Notes due 2018, $1 0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 and $0 75 billion of 4 35% Verizon Communications Notes due February 2013 as well as $0 3 billion of other costs

Guarantees

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries As of December 31, 2013, $3 1 billion principal amount of these obligations remain outstanding Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, including the operating telephone company no longer being a wholly-owned subsidiary of Verizon

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003 As of December 31, 2013, $1 7 billion principal amount of these obligations remain outstanding

Debt Covenants

We and our consolidated subsidiaries are in compliance with all debt covenants

Maturities of Long-Term Debt

Maturities of long-term debt outstanding at December 31, 2013 are as follows

Years	(dollars in millions)
2014	$ 3,486
2015	2,740
2016	10,818
2017	1,331
2018	14,970
Thereafter	59,799

Note 7

Fair Value Measurements and Financial Instruments

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of December 31 2013

	Level 1 [1]	Level 2 [2]	Level 3 [3]	(dollars in millions) Total
Assets				
Cash and cash equivalents				
Fixed income securities	$ 9,190	$ –	$ –	$ 9,190
Short-term investments				
Equity securities	387	–	–	387
Fixed income securities	3	211	–	214
Other assets				
Forward interest rate swaps	–	76	–	76
Fixed income securities	–	875	–	875
Cross currency swaps	–	166	–	166
Total	$ 9,580	$ 1,328	$ –	$ 10,908
Liabilities				
Other liabilities				
Interest rate swaps	$ –	$ 23	$ –	$ 23
Total	$ –	$ 23	$ –	$ 23

[1] quoted prices in active markets for identical assets or liabilities
[2] observable inputs other than quoted prices in active markets for identical assets and liabilities
[3] no observable pricing inputs in the market

Equity securities consist of investments in common stock of domestic and international corporations measured using quoted prices in active markets

Fixed income securities consist primarily of investments in U S Treasuries, as well as municipal bonds We use quoted prices in active markets for our U S Treasury securities and therefore these securities are classified as Level 1 For all other fixed income securities that do not have quoted prices in active markets, we use alternative matrix pricing resulting in these debt securities being classified as Level 2

Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified within Level 2 We use mid-market pricing for fair value measurements of our derivative instruments Our derivative instruments are recorded on a gross basis

We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period There were no transfers within the fair value hierarchy during 2013

Fair Value of Short-term and Long-term Debt

The fair value of our debt is determined using various methods, including quoted prices for identical terms and maturities, which is a Level 1 measurement, as well as quoted prices for similar terms and maturities in inactive markets and future cash flows discounted at current rates, which are Level 2 measurements The fair value of our short-term and long-term debt, excluding capital leases, was as follows

At December 31,	2013		2012	(dollars in millions)
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short- and long-term debt excluding capital leases	$ 93,298	$ 103,527	$ 51,689	$ 61,552

Derivative Instruments

Interest Rate Swaps

We have entered into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to Interest expense These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio We record the interest rate swaps at fair value on our consolidated balance sheets as assets and liabilities

During 2012, interest rate swaps with a notional value of $5 8 billion were settled As a result of the settlements, we received net proceeds of $0 7 billion, including accrued interest which is included in Other, net operating activities in the consolidated statement of cash flows The fair value basis adjustment to the underlying debt instruments was recognized into earnings as a reduction of interest expense over the remaining lives of the underlying debt obligations During the second quarter of 2013, interest rate swaps with a notional value of $1 25 billion matured and the impact to our consolidated financial statements was not material During the third quarter of 2013, we entered into interest rate swaps with a total notional value of $1 8 billion At December 31, 2013 and 2012, the fair value of these interest rate swaps was not material At December 31, 2013, the total notional amount of these interest rate swaps was $1 8 billion The ineffective portion of these interest rate swaps was not material at December 31, 2013

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a notional value of $2 0 billion We designated these contracts as cash flow hedges The fair value of these contracts was not material at December 31, 2013

Cross Currency Swaps

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the impact of foreign currency transaction gains or losses A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was not material at December 31, 2013 or December 31, 2012 During 2013 and 2012 the gains with respect to these swaps were not material

During February 2014 we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5 4 billion of Euro and British Pound Sterling denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the impact of foreign currency transaction gains or losses

Concentrations of Credit Risk

Financial instruments that subject us to concentrations of credit risk consist primarily of temporary cash investments, short-term and long-term investments, trade receivables, certain notes receivable, including lease receivables, and derivative contracts. Our policy is to deposit our temporary cash investments with major financial institutions. Counterparties to our derivative contracts are also major financial institutions with whom we have negotiated derivatives agreements (ISDA master agreement) and credit support annex agreements which provide rules for collateral exchange. We generally apply collateralized arrangements with our counterparties for uncleared derivatives to mitigate credit risk. We may enter into swaps on an uncollateralized basis in certain circumstances. While we may be exposed to credit losses due to the nonperformance of our counterparties, we consider the risk remote and do not expect the settlement of these transactions to have a material effect on our results of operations or financial condition.

Note 10

Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc. Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and other awards. The maximum number of shares available for awards from the Plan is 119.6 million shares.

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant. The RSUs are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting. The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period. Dividend equivalent units are also paid to participants at the time the RSU award is paid, and in the same proportion as the RSU award.

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant. As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle. The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting. The PSU award liability is measured at its fair value at the end of each reporting period and, therefore, will fluctuate based on the price of Verizon common stock as well as performance relative to the targets. Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award. The granted and cancelled activity for the PSU award includes adjustments for the performance goals achieved.

The following table summarizes Verizon's Restricted Stock Unit and Performance Stock Unit activity:

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding January 1, 2011	20,923	32,380
Granted	6,667	10,348
Payments	(7,600)	(12,137)
Cancelled/Forfeited	(154)	(2,977)
Outstanding December 31, 2011	19,836	27,614
Granted	6,350	20,537
Payments	(7,369)	(8,499)
Cancelled/Forfeited	(148)	(189)
Outstanding December 31, 2012	18,669	39,463
Granted	**4,950**	**7,470**
Payments	**(7,246)**	**(22,703)**
Cancelled/Forfeited	**(180)**	**(506)**
Outstanding December 31, 2013	**16,193**	**23,724**

As of December 31, 2013, unrecognized compensation expense related to the unvested portion of Verizon's RSUs and PSUs was approximately $0.4 billion and is expected to be recognized over approximately two years.

The RSUs granted in 2013 and 2012 have weighted-average grant date fair values of $47.96 and $38.67 per unit, respectively. During 2013, 2012 and 2011, we paid $1.1 billion, $0.6 billion and $0.7 billion, respectively, to settle RSUs and PSUs classified as liability awards.

Verizon Wireless' Long-Term Incentive Plan

The Verizon Wireless Long-Term Incentive Plan (the Wireless Plan) provides compensation opportunities to eligible employees of Verizon Wireless (the Partnership). Under the Wireless Plan, Value Appreciation Rights (VARs) were granted to eligible employees. As of December 31, 2013, all VARs were fully vested. We have not granted new VARs since 2004.

VARs reflect the change in the value of the Partnership, as defined in the Wireless Plan. Similar to stock options, the valuation is determined using a Black-Scholes model. Once VARs become vested, employees can exercise their VARs and receive a payment that is equal to the difference between the VAR price on the date of grant and the VAR price on the date of exercise, less applicable taxes. All outstanding VARs are fully exercisable and have a maximum term of 10 years. All VARs were granted at a price equal to the estimated fair value of the Partnership, as defined in the Wireless Plan, at the date of the grant.

The following table summarizes the assumptions used in the Black-Scholes model during 2013:

	End of Period
Risk-free rate	0.11%
Expected term (in years)	0.12
Expected volatility	43.27%

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of the measurement date. Expected volatility was based on a blend of the historical and implied volatility of publicly traded peer companies for a period equal to the VARs expected life ending on the measurement date.

The following table summarizes the Value Appreciation Rights activity:

(shares in thousands)	VARs	Weighted-Average Grant-Date Fair Value
Outstanding rights, January 1, 2011	11,569	$ 13.11
Exercised	(3,303)	14.87
Cancelled/Forfeited	(52)	14.74
Outstanding rights, December 31, 2011	8,214	12.39
Exercised	(3,427)	10.30
Cancelled/Forfeited	(21)	11.10
Outstanding rights, December 31, 2012	4,766	13.89
Exercised	**(1,916)**	**13.89**
Cancelled/Forfeited	**(3)**	**13.89**
Outstanding rights, December 31, 2013	**2,847**	**13.89**

During 2013, 2012 and 2011, we paid $0.1 billion, respectively, to settle VARs classified as liability awards.

Stock-Based Compensation Expense

After-tax compensation expense for stock-based compensation related to RSUs, PSUs, and VARs described above included in Net income attributable to Verizon was $0.4 billion, $0.7 billion and $0.5 billion for 2013, 2012 and 2011, respectively.

Stock Options

The Plan provides for grants of stock options to participants at an option price per share of no less than 100% of the fair market value of Verizon common stock on the date of grant. Each grant has a 10-year life, vesting equally over a three-year period, starting at the date of the grant. We have not granted new stock options since 2004.

The following table summarizes Verizon's stock option activity:

(shares in thousands)	Stock Options	Weighted-Average Exercise Price
Outstanding, January 1, 2011	56,844	$ 44.25
Exercised	(7,104)	35.00
Cancelled/Forfeited	(21,921)	51.06
Outstanding, December 31, 2011	27,819	41.24
Exercised	(7,447)	35.20
Cancelled/Forfeited	(17,054)	45.15
Outstanding, December 31, 2012	3,318	34.69
Exercised	**(2,253)**	**34.85**
Cancelled/Forfeited	**(82)**	**34.49**
Outstanding, December 31, 2013	**983**	**34.35**

All stock options outstanding at December 31, 2013, 2012 and 2011 were exercisable.

The following table summarizes information about Verizon's stock options outstanding as of December 31, 2013:

Range of Exercise Prices	Stock Options (in thousands)	Weighted-Average Remaining Life (years)	Weighted-Average Exercise Price
$30.00-39.99	969	0.1	$ 34.18
40.00-49.99	14	0.1	46.31
Total	**983**	**0.1**	**34.35**

The total intrinsic value for stock options outstanding as of December 31, 2013 is not significant. The total intrinsic value of stock options exercised was not significant in 2013 and the associated tax benefits were not significant in 2013, 2012 and 2011. The amount of cash received from the exercise of stock options was $0.1 billion in 2013, $0.3 billion in 2012 and $0.2 billion in 2011. There was no stock option expense for 2013, 2012 and 2011.

Note 11

Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees. In addition, we maintain postretirement health care and life insurance plans for our retirees and their dependents, which are both contributory and non-contributory, and include a limit on our share of the cost for certain recent and future retirees. In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions. The adjustment is recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses.

Pension and Other Postretirement Benefits

Pension and other postretirement benefits for many of our employees are subject to collective bargaining agreements. Modifications in benefits have been bargained from time to time, and we may also periodically amend the benefits in the management plans. The following tables summarize benefit costs, as well as the benefit obligations, plan assets, funded status and rate assumptions associated with pension and postretirement health care and life insurance benefit plans.

Obligations and Funded Status

			(dollars in millions)	
	Pension		Health Care and Life	
At December 31,	2013	2012	2013	2012
Change in Benefit Obligations				
Beginning of year	$ 26,773	$ 30,582	$ 26,844	$ 27,369
Service cost	395	358	318	359
Interest cost	1,002	1,449	1,095	1,284
Plan amendments	(149)	183	(119)	(1,826)
Actuarial (gain) loss, net	(2,327)	6,074	(3,576)	1,402
Benefits paid	(1,777)	(2,735)	(1,520)	(1,744)
Curtailment and termination benefits	4	–	–	–
Annuity purchase	–	(8,352)	–	–
Settlements paid	(889)	(786)	–	–
End of year	$ 23,032	$ 26,773	$ 23,042	$ 26,844
Change in Plan Assets				
Beginning of year	$ 18,282	$ 24,110	$ 2,657	$ 2,628
Actual return on plan assets	1,388	2,326	556	312
Company contributions	107	3,719	1,360	1,461
Benefits paid	(1,777)	(2,735)	(1,520)	(1,744)
Settlements paid	(889)	(786)	–	–
Annuity purchase	–	(8,352)	–	–
End of year	$ 17,111	$ 18,282	$ 3,053	$ 2,657
Funded Status				
End of year	$ (5,921)	$ (8,491)	$ (19,989)	$ (24,187)

			(dollars in millions)	
	Pension		Health Care and Life	
At December 31,	2013	2012	2013	2012
Amounts recognized on the balance sheet				
Noncurrent assets	$ 339	$ 236	$ –	$ –
Current liabilities	(137)	(129)	(710)	(766)
Noncurrent liabilities	(6,123)	(8,598)	(19,279)	(23,421)
Total	$ (5,921)	$ (8,491)	$ (19,989)	$ (24,187)
Amounts recognized in Accumulated Other Comprehensive Income (Pre-tax)				
Prior Service Benefit (Cost)	$ 25	$ 181	$ (2,120)	$ (2,247)
Total	$ 25	$ 181	$ (2,120)	$ (2,247)

Beginning in 2013, as a result of federal health care reform, Verizon no longer files for the Retiree Drug Subsidy (RDS) and instead contracts with a Medicare Part D plan on a group basis to provide prescription drug benefits to Medicare eligible retirees

During 2012, we reached agreements with the Communications Workers of America and the International Brotherhood of Electrical Workers on new, three-year contracts that cover approximately 43,000 Wireline employees. This resulted in the adoption of plan amendments which will result in lower other postretirement benefit costs in 2013 and beyond

The accumulated benefit obligation for all defined benefit pension plans was $22.9 billion and $26.5 billion at December 31, 2013 and 2012, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets follows:

	(dollars in millions)	
At December 31,	2013	2012
Projected benefit obligation	$ 22,610	$ 26,351
Accumulated benefit obligation	22,492	26,081
Fair value of plan assets	16,350	17,623

Net Periodic Cost

The following table summarizes the benefit (income) cost related to our pension and postretirement health care and life insurance plans:

					(dollars in millions)	
	Pension			Health Care and Life		
Years Ended December 31,	2013	2012	2011	2013	2012	2011
Service cost	$ 395	$ 358	$ 307	$ 318	$ 359	$ 299
Amortization of prior service cost (credit)	6	(1)	72	(247)	(89)	(57)
Subtotal	401	357	379	71	270	242
Expected return on plan assets	(1,245)	(1,795)	(1,976)	(143)	(171)	(163)
Interest cost	1,002	1,449	1,590	1,095	1,284	1,421
Subtotal	158	11	(7)	1,023	1,383	1,500
Remeasurement (gain) loss, net	(2,470)	5,542	4,146	(3,989)	1,262	1,787
Net periodic benefit (income) cost	(2,312)	5,553	4,139	(2,966)	2,645	3,287
Curtailment and termination benefits	4	–	–	–	–	–
Total	$ (2,308)	$ 5,553	$ 4,139	$ (2,966)	$ 2,645	$ 3,287

Other pre-tax changes in plan assets and benefit obligations recognized in other comprehensive (income) loss are as follows:

			(dollars in millions)	
	Pension		Health Care and Life	
At December 31,	2013	2012	2013	2012
Prior service cost	$ (149)	$ 183	$ (119)	$ (1,826)
Reversal of amortization items				
Prior service cost	(6)	1	247	89
Total recognized in other comprehensive (income) loss (pre-tax)	$ (155)	$ 184	$ 128	$ (1,737)

The estimated prior service cost for the defined benefit pension plan that will be amortized from Accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year is not significant. The estimated prior service cost for the defined benefit postretirement plans that will be amortized from Accumulated other comprehensive income into net periodic benefit (income) cost over the next fiscal year is $0.3 billion.

Assumptions

The weighted-average assumptions used in determining benefit obligations follow:

	Pension		Health Care and Life	
At December 31	2013	2012	2013	2012
Discount Rate	5.00%	4.20%	5.00%	4.20%
Rate of compensation increases	3.00	3.00	N/A	N/A

The weighted-average assumptions used in determining net periodic cost follow:

	Pension			Health Care and Life		
At December 31,	2013	2012	2011	2013	2012	2011
Discount Rate	4.20%	5.00%	5.75%	4.20%	5.00%	5.75%
Expected return on plan assets	7.50	7.50	8.00	5.60	7.00	6.00
Rate of compensation increases	3.00	3.00	3.00	N/A	N/A	N/A

In order to project the long-term target investment return for the total portfolio, estimates are prepared for the total return of each major asset class over the subsequent 10-year period. Those estimates are based on a combination of factors including the current market interest rates and valuation levels, consensus earnings expectations and historical long-term risk premiums. To determine the aggregate return for the pension trust, the projected return of each individual asset class is then weighted according to the allocation to that investment area in the trust's long-term asset allocation policy.

The assumed health care cost trend rates follow:

	Health Care and Life		
At December 31,	2013	2012	2011
Healthcare cost trend rate assumed for next year	6.50%	7.00%	7.50%
Rate to which cost trend rate gradually declines	4.75	5.00	5.00
Year the rate reaches the level it is assumed to remain thereafter	2020	2016	2016

A one-percentage point change in the assumed health care cost trend rate would have the following effects:

	(dollars in millions)	
One-Percentage Point	Increase	Decrease
Effect on 2013 service and interest cost	$ 184	$ (150)
Effect on postretirement benefit obligation as of December 31, 2013	2,539	(2,086)

Plan Assets

Historically, our portfolio strategy emphasized a long-term equity orientation, significant global diversification, and the use of both public and private investments. In an effort to reduce the risk of our portfolio strategy and better align assets with liabilities, we have shifted our strategy to one that is more liability driven, where cash flows from investments better match projected benefit payments but result in lower asset returns. We intend to reduce the likelihood that assets will decline at a time when liabilities increase (referred to as liability hedging), with the goal to reduce the risk of underfunding to the plan and its participants and beneficiaries. Both active and passive management approaches are used depending on perceived market efficiencies and various other factors. Our diversification and risk control processes serve to minimize the concentration of risk.

While target allocation percentages will vary over time, the company's overall investment strategy is to achieve a mix of assets, which allows us to meet projected benefits payments while taking into consideration risk and return. The current target allocation for plan assets is designed so that 70% of the assets have the objective of achieving a return in excess of the growth in liabilities (comprised of public equities, private equities, real estate, hedge funds and emerging debt) and 30% of the assets are invested as liability hedging assets (typically longer duration fixed income). This allocation will shift as funded status improves to a higher allocation to liability hedging assets. Target policies will be revisited periodically to ensure they are in line with fund objectives. Due to our diversification and risks control processes, there are no significant concentrations of risk, in terms of sector, industry, geography or company names.

Pension and healthcare and life plans assets do not include significant amounts of Verizon common stock.

Pension Plans

The fair values for the pension plans by asset category at December 31, 2013 are as follows:

				(dollars in millions)
Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 968	$ 881	$ 87	$ –
Equity securities	4,200	3,300	900	–
Fixed income securities				
U.S. Treasuries and agencies	1,097	691	406	–
Corporate bonds	2,953	212	2,579	162
International bonds	364	51	313	–
Other	3	–	3	–
Real estate	1,784	–	–	1,784
Other				
Private equity	3,942	–	–	3,942
Hedge funds	1,800	–	604	1,196
Total	$ 17,111	$ 5,135	$ 4,892	$ 7,084

The fair values for the pension plans by asset category at December 31, 2012 are as follows:

				(dollars in millions)
Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,618	$ 1,586	$ 32	$ –
Equity securities	2,944	2,469	475	–
Fixed income securities				
U.S. Treasuries and agencies	1,589	1,125	464	–
Corporate bonds	2,456	35	2,225	196
International bonds	601	140	461	–
Other	210	–	210	–
Real estate	2,018	–	–	2,018
Other				
Private equity	5,039	–	–	5,039
Hedge funds	1,807	–	1,249	558
Total	$ 18,282	$ 5,355	$ 5,116	$ 7,811

The following is a reconciliation of the beginning and ending balance of pension plan assets that are measured at fair value using significant unobservable inputs

(dollars in millions)

	Corporate Bonds	Real Estate	Private Equity	Hedge Funds	Total
Balance at January 1, 2012	$ 189	$ 2,158	$ 6,055	$ 662	$ 9,064
Actual gain on plan assets	12	84	146	43	285
Purchases and sales	(14)	(224)	(1,162)	(147)	(1,547)
Transfers in	9	–	–	–	9
Balance at December 31, 2012	$ 196	$ 2,018	$ 5,039	$ 558	$ 7,811
Actual gain on plan assets	**12**	**81**	**674**	**84**	**851**
Purchases and sales	**(13)**	**(315)**	**(1,732)**	**(124)**	**(2,184)**
Transfers in (out)	**(33)**	**–**	**(39)**	**678**	**606**
Balance at December 31, 2013	**$ 162**	**$ 1,784**	**$ 3,942**	**$ 1,196**	**$ 7,084**

Health Care and Life Plans

The fair values for the other postretirement benefit plans by asset category at December 31, 2013 are as follows

(dollars in millions)

Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 237	$ 12	$ 225	$ –
Equity securities	2,178	1,324	854	–
Fixed income securities				
U.S. Treasuries and agencies	121	94	27	–
Corporate bonds	252	45	207	–
International bonds	104	18	86	–
Other	161	40	121	–
Total	$ 3,053	$ 1,533	$ 1,520	$ –

The fair values for the other postretirement benefit plans by asset category at December 31, 2012 are as follows

(dollars in millions)

Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 291	$ 13	$ 278	$ –
Equity securities	1,753	1,004	749	–
Fixed income securities				
U.S. Treasuries and agencies	118	80	38	–
Corporate bonds	192	11	181	–
International bonds	189	72	117	–
Other	114	–	114	–
Total	$ 2,657	$ 1,180	$ 1,477	$ –

The following are general descriptions of asset categories, as well as the valuation methodologies and inputs used to determine the fair value of each major category of assets

Cash and cash equivalents include short-term investment funds, primarily in diversified portfolios of investment grade money market instruments and are valued using quoted market prices or other valuation methods and thus are classified within Level 1 or Level 2

Equity securities are investments in common stock of domestic and international corporations in a variety of industry sectors, and are valued primarily using quoted market prices or other valuation methods, and thus are classified within Level 1 or Level 2

Fixed income securities include U.S. Treasuries and agencies, debt obligations of foreign governments and domestic and foreign corporations. Fixed income also includes investments in collateralized mortgage obligations, mortgage backed securities and interest rate swaps. The fair value of fixed income securities is based on observable prices for identical or comparable assets, adjusted using benchmark curves, sector grouping, matrix pricing, broker/dealer quotes and issuer spreads, and thus is classified within Level 1 or Level 2

Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. The fair values of real estate assets are typically determined by using income and/or cost approaches or a comparable sales approach, taking into consideration discount and capitalization rates, financial conditions, local market conditions and the status of the capital markets, and thus are classified within Level 3

Private equity investments include those in limited partnerships that invest in operating companies that are not publicly traded on a stock exchange. Investment strategies in private equity include leveraged buyouts, venture capital, distressed investments and investments in natural resources. These investments are valued using inputs such as trading multiples of comparable public securities, merger and acquisition activity and pricing data from the most recent equity financing taking into consideration illiquidity, and thus are classified within Level 3

Hedge fund investments include those seeking to maximize absolute returns using a broad range of strategies to enhance returns and provide additional diversification. The fair values of hedge funds are estimated using net asset value per share (NAV) of the investments. Verizon has the ability to redeem these investments at NAV within the near term and thus are classified within Level 2. Investments that cannot be redeemed in the near term are classified within Level 3

Cash Flows

In 2013, contributions to our qualified pension plans were not material. Also in 2013, we contributed $0.1 billion to our nonqualified pension plans and $1.4 billion to our other postretirement benefit plans. We anticipate approximately $1.2 billion in contributions to our qualified pension plans, $0.2 billion to our nonqualified pension plans and $1.4 billion to our other postretirement benefit plans in 2014.

Estimated Future Benefit Payments

The benefit payments to retirees are expected to be paid as follows:

(dollars in millions)

Year	Pension Benefits	Health Care and Life
2014	$ 2,980	$ 1,582
2015	2,280	1,574
2016	1,742	1,538
2017	1,666	1,506
2018	1,377	1,474
2019-2023	6,712	6,846

Savings Plan and Employee Stock Ownership Plans

We maintain four leveraged employee stock ownership plans (ESOP). Only one plan currently has unallocated shares. We match a certain percentage of eligible employee contributions to the savings plans with shares of our common stock from this ESOP. At December 31, 2013, the number of unallocated and allocated shares of common stock in this ESOP was 163 thousand and 62 million, respectively. All leveraged ESOP shares are included in earnings per share computations.

Total savings plan costs were $1.0 billion in 2013 and $0.7 billion in 2012 and 2011, respectively.

Pension Annuitization

On October 17, 2012, we, along with our subsidiary Verizon Investment Management Corp., and Fiduciary Counselors Inc., as independent fiduciary of the Verizon Management Pension Plan (the Plan), entered into a definitive purchase agreement with The Prudential Insurance Company of America (Prudential) and Prudential Financial, Inc., pursuant to which the Plan would purchase a single premium group annuity contract from Prudential.

On December 10, 2012, upon issuance of the group annuity contract by Prudential, Prudential irrevocably assumed the obligation to make future annuity payments to approximately 41,000 Verizon management retirees who began receiving pension payments from the Plan prior to January 1, 2010. The amount of each retiree's annuity payment equals the amount of such individual's pension benefit. In addition, the group annuity contract is intended to replicate the same rights to future payments, such as survivor benefits, that are currently offered by the Plan.

We contributed approximately $2.6 billion to the Plan between September 1, 2012 and December 31, 2012 in connection with the transaction so that the Plan's funding percentage would not decrease as a result of the transaction.

Severance Benefits

The following table provides an analysis of our actuarially determined severance liability recorded in accordance with the accounting standard regarding employers' accounting for postemployment benefits:

(dollars in millions)

Year	Beginning of Year	Charged to Expense	Payments	Other	End of Year
2011	$ 1,569	$ 32	$ (474)	$ (14)	$ 1,113
2012	1,113	396	(531)	32	1,010
2013	**1,010**	**134**	**(381)**	**(6)**	**757**

Severance, Pension and Benefit (Credits) Charges

During 2013, we recorded net pre-tax severance, pension and benefits credits of approximately $6.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The credits were primarily driven by an increase in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4.2% at December 31, 2012 to a weighted-average of 5.0% at December 31, 2013 ($4.3 billion); lower than assumed retiree medical costs and other assumption adjustments ($1.4 billion) and the difference between our estimated return on assets of 7.5% at December 31, 2012 and our actual return on assets of 8.6% at December 31, 2013 ($0.5 billion).

During 2012, we recorded net pre-tax severance, pension and benefits charges of approximately $7.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from a weighted-average of 5% at December 31, 2011 to a weighted-average of 4.2% at December 31, 2012 ($5.3 billion) and revisions to the retirement assumptions for participants and other assumption adjustments, partially offset by the difference between our estimated return on assets of 7.5% and our actual return on assets of 10% ($0.7 billion). As part of this charge, we also recorded $1.0 billion related to the annuitization of pension liabilities, as described above, as well as severance charges of $0.4 billion primarily for approximately 4,000 management employees.

During 2011, we recorded net pre-tax severance, pension and benefits charges of approximately $6.0 billion for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from 5.75% at December 31, 2010 to 5% at December 31, 2011 ($5.0 billion), the difference between our estimated return on assets of 8% and our actual return on assets of 5% ($0.9 billion), and revisions to the life expectancy of participants and other adjustments to assumptions.

Taxes

The components of income before (provision) benefit for income taxes are as follows:

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Domestic	$ 28,833	$ 9,316	$ 9,724
Foreign	444	581	759
Total	$ 29,277	$ 9,897	$ 10,483

The components of the provision (benefit) for income taxes are as follows:

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Current			
Federal	$ (197)	$ 223	$ 193
Foreign	(59)	(45)	25
State and Local	201	114	290
Total	(55)	292	508
Deferred			
Federal	5,060	(559)	270
Foreign	8	10	(38)
State and Local	717	(403)	(455)
Total	5,785	(952)	(223)
Total income tax provision (benefit)	$ 5,730	$ (660)	$ 285

The following table shows the principal reasons for the difference between the effective income tax rate and the statutory federal income tax rate:

Years Ended December 31,	2013	2012	2011
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local income tax rate, net of federal tax benefits	2.1	(1.9)	(1.0)
Affordable housing credit	(0.6)	(1.9)	(1.8)
Employee benefits including ESOP dividend	(0.4)	(1.1)	(1.4)
Equity in earnings from unconsolidated businesses	(0.3)	(1.4)	(1.9)
Noncontrolling interests	(14.3)	(33.7)	(23.0)
Other, net	(1.9)	(1.7)	(3.2)
Effective income tax rate	19.6%	(6.7)%	2.7%

The effective income tax rate for 2013 was 19.6% compared to (6.7)% for 2012. The increase in the effective income tax rate and provision for income taxes was primarily due to higher income before income taxes as a result of severance, pension and benefit credits recorded during 2013 compared to lower income before income taxes as a result of severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

The effective income tax rate for 2012 was (6 7)% compared to 2 7% for 2011 The negative effective income tax rate for 2012 and the decrease in the provision for income taxes during 2012 compared to 2011 was primarily due to lower income before income taxes as a result of higher severance, pension and benefit charges as well as early debt redemption costs recorded during 2012

The amounts of cash taxes paid are as follows

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Income taxes, net of amounts refunded	$ 422	$ 351	$ 762
Employment taxes	1,282	1,308	1,328
Property and other taxes	2,082	1,727	1,883
Total	$ 3,786	$ 3,386	$ 3,973

Deferred taxes arise because of differences in the book and tax bases of certain assets and liabilities Significant components of deferred tax assets and liabilities are as follows

At December 31,	2013	2012
	(dollars in millions)	
Employee benefits	$ 10,242	$ 13,644
Tax loss and credit carry forwards	2,747	4,819
Uncollectible accounts receivable	213	206
Other - assets	959	1,050
	14,161	19,719
Valuation allowances	(1,596)	(2,041)
Deferred tax assets	12,565	17,678
Former MCI intercompany accounts receivable basis difference	1,121	1,275
Depreciation	14,030	13,953
Leasing activity	997	1,208
Wireless joint venture including wireless licenses	23,032	22,171
Other - liabilities	1,470	1,320
Deferred tax liabilities	40,650	39,927
Net deferred tax liability	$ 28,085	$ 22,249

At December 31, 2013, undistributed earnings of our foreign subsidiaries indefinitely invested outside the US amounted to approximately $2 1 billion The majority of Verizon's cash flow is generated from domestic operations and we are not dependent on foreign cash or earnings to meet our funding requirements, nor do we intend to repatriate these undistributed foreign earnings to fund US operations Furthermore, a portion of these undistributed earnings represent amounts that legally must be kept in reserve in accordance with certain foreign jurisdictional requirements and are unavailable for distribution or repatriation As a result, we have not provided US deferred taxes on these undistributed earnings because we intend that they will remain indefinitely reinvested outside of the US and therefore unavailable for use in funding US operations Determination of the amount of unrecognized deferred taxes related to these undistributed earnings is not practicable

At December 31, 2013, we had net after-tax loss and credit carry forwards for income tax purposes of approximately $2 7 billion Of these net after-tax loss and credit carry forwards, approximately $2 1 billion will expire between 2014 and 2033 and approximately $0 6 billion may be carried forward indefinitely The amount of net after-tax loss and credit carry forwards reflected as a deferred tax asset above has been reduced by approximately $0 1 billion at December 31 2012 due to federal and state tax law limitations on utilization of net operating losses

During 2013, the valuation allowance decreased approximately $0 4 billion The balance of the valuation allowance at December 31 2013 and the 2013 activity is primarily related to state and foreign tax losses and credit carry forwards

Unrecognized Tax Benefits

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows

	2013	2012	2011
		(dollars in millions)	
Balance at January 1,	$ 2,943	$ 3,078	$ 3,242
Additions based on tax positions related to the current year	116	131	111
Additions for tax positions of prior years	250	92	456
Reductions for tax positions of prior years	(801)	(415)	(644)
Settlements	(210)	100	(56)
Lapses of statutes of limitations	(168)	(43)	(31)
Balance at December 31,	$ 2,130	$ 2,943	$ 3,078

Included in the total unrecognized tax benefits at December 31, 2013 2012 and 2011 is $1 4 billion, $2 1 billion and $2 2 billion, respectively, that if recognized, would favorably affect the effective income tax rate

We recognized the following net after-tax benefits related to interest and penalties in the provision for income taxes

Years Ended December 31,	(dollars in millions)
2013	$ 33
2012	82
2011	60

The after-tax accruals for the payment of interest and penalties in the consolidated balance sheets are as follows

At December 31,	(dollars in millions)
2013	$ 274
2012	386

The decrease in unrecognized tax benefits was primarily due to the resolution of issues with the Internal Revenue Services (IRS) involving tax years 2004 through 2006, as well as the resolution of tax controversies in Canada and Italy

Verizon and/or its subsidiaries file income tax returns in the US federal jurisdiction, and various state, local and foreign jurisdictions As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions for various open tax years The IRS is currently examining the Company's US income tax returns for tax years 2007-2009 and Cellco Partnership s US income tax returns for tax years 2010-2011 Significant tax examinations and litigation are ongoing in New York City for tax years as early as 2000 The amount of the liability for unrecognized tax benefits will change in the next twelve months due to the expiration of the statute of limitations in various jurisdictions and it is reasonably possible that various current tax examinations will conclude or require reevaluations of the Company's tax positions during this period An estimate of the range of the possible change cannot be made until these tax matters are further developed or resolved

Note 3

Segment Information

Reportable Segments

We have two reportable segments which we operate and manage as strategic business units and organize by products and services We measure and evaluate our reportable segments based on segment operating income, consistent with the chief operating decision maker's assessment of segment performance

Corporate eliminations and other includes unallocated corporate expenses, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, pension and other employee benefit related costs, lease financing, as well as other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance

The reconciliation of segment operating revenues and expenses to consolidated operating revenues and expenses below also includes those items of a non-recurring or non-operational nature We exclude from segment results the effects of certain items that management does not consider in assessing segment performance, primarily because of their non-recurring or non-operational nature

We have adjusted prior period consolidated and segment information, where applicable, to conform to current year presentation

Our segments and their principal activities consist of the following

Segment	Description
Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data corporate networking solutions data center and cloud services security and managed network services and local and long distance voice services We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world

The following table provides operating financial information for our two reportable segments

2013	Wireless	Wireline	Total Segments
			(dollars in millions)
External Operating Revenues			
Retail service	$ 66,282	$ –	$ 66,282
Other service	2,691	–	2,691
Service revenue	68,973	–	68,973
Equipment	8,096	–	8,096
Other	3,851	–	3,851
Consumer retail	–	14,737	14,737
Small business	–	2,587	2,587
Mass Markets	–	17,324	17,324
Strategic services	–	8,410	8,410
Core	–	6,267	6,267
Global Enterprise	–	14,677	14,677
Global Wholesale	–	5,703	5,703
Other	–	456	456
Intersegment revenues	103	1,063	1,166
Total operating revenues	81,023	39,223	120,246
Cost of services and sales	23,648	21,928	45,576
Selling, general and administrative expense	23,176	8,595	31,771
Depreciation and amortization expense	8,202	8,327	16,529
Total operating expenses	55,026	38,850	93,876
Operating income	$ 25,997	$ 373	$ 26,370
Assets	$ 146,429	$ 84,573	$ 231,002
Plant, property and equipment, net	35,932	51,885	87,817
Capital expenditures	9,425	6,229	15,654

2012	Wireless	Wireline	Total Segments
		(dollars in millions)	
External Operating Revenues			
Retail service	$ 61,383	$ –	$ 61,383
Other service	2,290	–	2,290
Service revenue	63,673	–	63,673
Equipment	8,010	–	8,010
Other	4,096	–	4,096
Consumer retail	–	14,043	14,043
Small business	–	2,648	2,648
Mass Markets	–	16,691	16,691
Strategic services	–	8,052	8,052
Core	–	7,240	7,240
Global Enterprise	–	15,292	15,292
Global Wholesale	–	6,177	6,177
Other	–	508	508
Intersegment revenues	89	1,112	1,201
Total operating revenues	75,868	39,780	115,648
Cost of services and sales	24,490	22,413	46,903
Selling, general and administrative expense	21,650	8,883	30,533
Depreciation and amortization expense	7,960	8,424	16,384
Total operating expenses	54,100	39,720	93,820
Operating income	$ 21,768	$ 60	$ 21,828
Assets	$ 142,485	$ 84,815	$ 227,300
Plant, property and equipment, net	34,545	52,911	87,456
Capital expenditures	8,857	6,342	15,199

2011	Wireless	Wireline	Total Segments
		(dollars in millions)	
External Operating Revenues			
Retail service	$ 56,601	$ –	$ 56,601
Other service	2,497	–	2,497
Service revenue	59,098	–	59,098
Equipment	7,446	–	7,446
Other	3,517	–	3,517
Consumer retail	–	13,605	13,605
Small business	–	2,720	2,720
Mass Markets	–	16,325	16,325
Strategic services	–	7,607	7,607
Core	–	8,014	8,014
Global Enterprise	–	15,621	15,621
Global Wholesale	–	6,795	6,795
Other	–	704	704
Intersegment revenues	93	1,237	1,330
Total operating revenues	70,154	40,682	110,836
Cost of services and sales	24,086	22,158	46,244
Selling, general and administrative expense	19,579	9,107	28,686
Depreciation and amortization expense	7,962	8,458	16,420
Total operating expenses	51,627	39,723	91,350
Operating income	$ 18,527	$ 959	$ 19,486
Assets	$ 147,378	$ 86,185	$ 233,563
Plant, property and equipment, net	33,451	54,149	87,600
Capital expenditures	8,973	6,399	15,372

Reconciliation to Consolidated Financial Information

A reconciliation of the segment operating revenues to consolidated operating revenues is as follows

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Operating Revenues			
Total reportable segments	$ 120,246	$ 115,648	$ 110,836
Reconciling items			
Corporate eliminations and other	304	198	39
Consolidated operating revenues	$ 120,550	$ 115,846	$ 110,875

A reconciliation of the total of the reportable segments' operating income to consolidated income before (provision) benefit for income taxes is as follows

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Operating Income			
Total segment operating income	$ 26,370	$ 21,828	$ 19,486
Severance, pension and benefit credits (charges) (Note 11)	6,232	(7,186)	(5,954)
Gain on spectrum license transaction (Note 2)	278	–	–
Litigation settlements (Note 16)	–	(384)	–
Other costs (Note 8)	–	(276)	–
Corporate, eliminations and other	(912)	(822)	(652)
Consolidated operating income	31,968	13,160	12,880
Equity in earnings of unconsolidated businesses	142	324	444
Other income and (expense), net	(166)	(1,016)	(14)
Interest expense	(2,667)	(2,571)	(2,827)
Income Before (Provision) Benefit for Income Taxes	$ 29,277	$ 9,897	$ 10,483

A reconciliation of the total of the reportable segments' assets to consolidated assets is as follows

At December 31,	2013	2012
	(dollars in millions)	
Assets		
Total reportable segments	$ 231,002	$ 227,300
Corporate eliminations and other	43,096	(2,078)
Total consolidated	$ 274,098	$ 225,222

Corporate, eliminations and other at December 31 2013 is primarily comprised of cash and cash equivalents which were used to complete the Wireless Transaction on February 21 2014

We generally account for intersegment sales of products and services and asset transfers at current market prices No single customer accounted for more than 10% of our total operating revenues during the years ended December 31, 2013 2012 and 2011 International operating revenues and long-lived assets are not significant

Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting equity that, under U S GAAP, are excluded from net income Significant changes in the components of Other comprehensive income, net of provision for income taxes are described below

Accumulated Other Comprehensive Income

The changes in the balances of Accumulated other comprehensive income by component are as follows

(dollars in millions)	Foreign currency translation adjustments	Unrealized gain on cash flow hedges	Unrealized gain on marketable securities	Defined benefit pension and postretirement plans	Total
Balance at January 1, 2013	$ 793	$ 88	$ 101	$ 1,253	$ 2,235
Other comprehensive income	60	50	33	–	143
Amounts reclassified to net income	--	(25)	(17)	22	(20)
Net other comprehensive income	60	25	16	22	123
Balance at December 31, 2013	$ 853	$ 113	$ 117	$ 1,275	$ 2,358

The amounts presented above in net other comprehensive income are net of taxes and noncontrolling interests, which are not significant For the year ended December 31, 2013, the amounts reclassified to net income related to defined benefit pension and postretirement plans in the table above are included in Cost of services and sales and Selling, general and administrative expense on our consolidated statements of income For the year ended December 31, 2013, all other amounts reclassified to net income in the table above are included in Other income, net on our consolidated statements of income

Foreign Currency Translation Adjustments

The change in Foreign currency translation adjustments during 2013, 2012 and 2011 was primarily related to our investment in Vodafone Omnitel N V and was primarily driven by the movements of the U S dollar against the Euro

Net Unrealized Gains (Losses) on Cash Flow Hedges

During 2013, 2012 and 2011, Unrealized gains (losses) on cash flow hedges included in Other comprehensive income (loss) attributable to noncontrolling interests, primarily reflect activity related to a cross currency swap (see Note 9) Reclassification adjustments for gains (losses) realized in net income were not significant

Net Unrealized Gains (Losses) on Marketable Securities

During 2013, 2012 and 2011, reclassification adjustments on marketable securities for gains (losses) realized in net income were not significant

Defined Benefit Pension and Postretirement Plans

The change in Defined benefit pension and postretirement plans at December 31, 2013 was not significant

The change in Defined benefit pension and postretirement plans of $0 9 billion, net of taxes of $0 6 billion at December 31 2012 was primarily a result of plan amendments

Note 18

Additional Financial Information

The tables that follow provide additional financial information related to our consolidated financial statements

Income Statement Information

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Depreciation expense	$ 15,019	$ 14,920	$ 14,991
Interest costs on debt balances	3,421	2,977	3,269
Capitalized interest costs	(754)	(406)	(442)
Advertising expense	2,438	2,381	2,523

Balance Sheet Information

At December 31,	2013	2012
	(dollars in millions)	
Accounts Payable and Accrued Liabilities		
Accounts payable	$ 4,954	$ 4,454
Accrued expenses	3,954	4,529
Accrued vacation, salaries and wages	4,790	5,006
Interest payable	1,199	632
Taxes payable	1,556	1,561
	$ 16,453	$ 16,182
Other Current Liabilities		
Advance billings and customer deposits	$ 2,829	$ 3,554
Dividends payable	1,539	1,494
Other	2,296	1,357
	$ 6,664	$ 6,405

Cash Flow Information

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Cash Paid			
Interest, net of amounts capitalized	$ 2,122	$ 1,971	$ 2,629

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 24 6 million common shares issued from Treasury stock during 2012, related to dividend payments, which had an aggregate value of $1 0 billion

Note 19

Commitments and Contingencies

In the ordinary course of business Verizon is involved in various commercial litigation and regulatory proceedings at the state and federal level Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Company establishes an accrual In none of the currently pending matters is the amount of accrual material An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings, including (1) uncertain damage theories and demands, (2) a less than complete factual record, (3) uncertainty concerning legal theories and their resolution by courts or regulators and (4) the unpredictable nature of the opposing party and its demands We continuously monitor these proceedings as they develop and adjust any accrual or disclosure as needed We do not expect that the ultimate resolution of any pending regulatory or legal matter in future periods including the Hicksville matter described below, will have a material effect on our financial condition, but it could have a material effect on our results of operations for a given reporting period

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Verizon is currently involved in approximately 50 federal district court actions alleging that Verizon is infringing various patents Most of these cases are brought by non-practicing entities and effectively seek only monetary damages, a small number are brought by companies that sell products and seek injunctive relief as well These cases have progressed to various degrees and a small number may go to trial in the coming 12 months if they are not otherwise resolved In the third quarter of 2012, we settled a number of patent litigation matters, including cases with ActiveVideo Networks Inc (ActiveVideo) and TiVo Inc (TiVo) In connection with the settlements with ActiveVideo and TiVo, we recorded a charge of $0 4 billion in the third quarter of 2012 and will pay and recognize over the following six years an additional $0 2 billion

In connection with the execution of agreements for the sales of businesses and investments, Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters such as ownership of the securities being sold, as well as indemnity from certain financial losses From time to time, counterparties may make claims under these provisions, and Verizon will seek to defend against those claims and resolve them in the ordinary course of business

Subsequent to the sale of Verizon Information Services Canada in 2004, we continue to provide a guarantee to publish directories, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions) The preexisting guarantee continues, without modification, despite the subsequent sale of Verizon Information Services Canada and the spin-off of our domestic print and Internet yellow pages directories business The possible financial impact of the guarantee, which is not expected to be adverse, cannot be reasonably estimated as a variety of the potential outcomes available under the guarantee result in costs and revenues or benefits that may offset each other We do not believe performance under the guarantee is likely

As of December 31, 2013 letters of credit totaling approximately $0.1 billion which were executed in the normal course of business and support several financing arrangements and payment obligations to third parties, were outstanding

We have several commitments primarily to purchase handsets and peripherals, equipment software, programming and network services, and marketing activities, which will be used or sold in the ordinary course of business, from a variety of suppliers totaling $33 4 billion Of this total amount, $19 7 billion is attributable to 2014 $8 8 billion is attributable to 2015 through 2016, $4 1 billion is attributable to 2017 through 2018 and $0 8 billion is attributable to years thereafter These amounts do not represent our entire anticipated purchases in the future, but represent only those items that are the subject of contractual obligations Our commitments are generally determined based on the noncancelable quantities or termination amounts Purchases against our commitments for 2013 totaled approximately $16 billion Since the commitments to purchase programming services from television networks and broadcast stations have no minimum volume requirement, we estimated our obligation based on number of subscribers at December 31, 2013, and applicable rates stipulated in the contracts in effect at that time We also purchase products and services as needed with no firm commitment

Note 20

Quarterly Financial Information (Unaudited)

Quarter Ended	Operating Revenues	Operating Income (Loss)	Net Income (Loss) attributable to Verizon [1] Amount	Per Share-Basic	Per Share-Diluted	Net Income (Loss)
			(dollars in millions, except per share amounts)			
2013						
March 31	$ 29,420	$ 6,222	$ 1,952	$ .68	$ .68	$ 4,855
June 30	29,786	6,555	2,246	.78	.78	5,198
September 30	30,279	7,128	2,232	.78	.78	5,578
December 31	31,065	12,063	5,067	1.77	1.76	7,916
2012						
March 31	$ 28,242	$ 5,195	$ 1,686	$ .59	$ .59	$ 3,906
June 30	28,552	5,651	1,825	.64	.64	4,285
September 30	29,007	5,483	1,593	.56	.56	4,292
December 31	30,045	(3,169)	(4,229)	(1.48)	(1.48)	(1,926)

- Results of operations for the second quarter of 2013 include after-tax credits attributable to Verizon of $0 1 billion related to a pension remeasurement
- Results of operations for the third quarter of 2013 include immaterial after-tax credits attributable to Verizon related to a gain on a spectrum license transaction as well as immaterial after-tax costs attributable to Verizon related to the Wireless Transaction
- Results of operations for the fourth quarter of 2013 include after-tax credits attributable to Verizon of $3.7 billion related to severance, pension and benefit credits, as well as after-tax costs attributable to Verizon of $0 5 billion related to the Wireless Transaction
- Results of operations for the third quarter of 2012 include after-tax charges attributable to Verizon of $0 2 billion related to legal settlements
- Results of operations for the fourth quarter of 2012 include after-tax charges attributable to Verizon of $5 3 billion related to severance, pension and benefit charges and early debt redemption and other costs

[1] Net income (loss) attributable to Verizon per common share is computed independently for each quarter and the sum of the quarters may not equal the annual amount

EXHIBIT 21

Verizon Communications Inc. and Subsidiaries
Principal Subsidiaries of Registrant at December 31, 2013

Name	Jurisdiction of Organization
Verizon California Inc	California
Verizon Delaware LLC	Delaware
Verizon Florida LLC	Florida
Verizon Maryland LLC	Delaware
Verizon New England Inc	New York
Verizon New Jersey Inc	New Jersey
Verizon New York Inc	New York
Verizon Pennsylvania LLC	Delaware
GTE Southwest Incorporated (d/b/a Verizon Southwest)	Delaware
Verizon Virginia LLC	Virginia
Bell Atlantic Mobile Systems LLC	Delaware
Cellco Partnership (d/b/a Verizon Wireless)	Delaware
GTE Corporation	New York
GTE Wireless Incorporated	Delaware
MCI Communications Corporation	Delaware
Verizon Business Global LLC	Delaware
Cranberry Properties LLC	Delaware

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Verizon Communications Inc. (Verizon) of our reports dated February 27, 2014 with respect to the consolidated financial statements of Verizon and the effectiveness of internal control over financial reporting of Verizon, included in the 2013 Annual Report to Shareowners of Verizon

Our audits also included the financial statement schedule of Verizon listed in Item 15(a) This schedule is the responsibility of Verizon's management Our responsibility is to express an opinion based on our audits In our opinion, as to which the date is February 27, 2014, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein

We also consent to the incorporation by reference in the following registration statements of Verizon and where applicable related Prospectuses, of our reports dated February 27, 2014, with respect to the consolidated financial statements of Verizon and the effectiveness of internal control over financial reporting of Verizon, incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule of Verizon included in this Annual Report (Form 10-K) for the year ended December 31, 2013 Form S-4, No 333-11573 Form S-8, No 333-41593, Form S-8, No 333-50146, Form S-4, No 333-76171, Form S-8, No 333-76171 Form S-8, No 333-53830, Form S-8 No 333-82690, Form S-4, No 333-124008 Form S-8, No 333-124008 Form S-4, No 333-132651, Form S-8, No 333-169267, Form S-8, No 333-172501, Form S-8, No 333-172999, Form S-3, No 333-182749, Form S-3, No 333-190954 and Form S-4, No 333-191628

/s/ Ernst & Young LLP
Ernst & Young LLP
New York New York
February 27, 2014

EXHIBIT 31.1

I, Lowell C McAdam, certify that

1 I have reviewed this annual report on Form 10-K of Verizon Communications Inc ,

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made not misleading with respect to the period covered by this report,

3 Based on my knowledge the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report,

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared,

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles,

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation, and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date February 27, 2014

/s/ Lowell C McAdam
Lowell C McAdam
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Francis J Shammo, certify that

1 I have reviewed this annual report on Form 10-K of Verizon Communications Inc .

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made not misleading with respect to the period covered by this report,

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for, the periods presented in this report,

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared,

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles,

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation, and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and

5 The registrant's other certifying officer and I have disclosed based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process summarize and report financial information, and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date February 27, 2014

/s/ Francis J Shammo
Francis J Shammo
Executive Vice President
and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell C McAdam, Chairman and Chief Executive Officer of Verizon Communications Inc (the Company), certify that

(1) the report of the Company on Form 10-K for the annual period ending December 31, 2013 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report

Date February 27 2014

/s/ Lowell C McAdam
Lowell C McAdam
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc and will be retained by Verizon Communications Inc and furnished to the Securities and Exchange Commission or its staff upon request

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002. PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Francis J Shammo, Executive Vice President and Chief Financial Officer of Verizon Communications Inc (the Company), certify that

(1) the report of the Company on Form 10-K for the annual period ending December 31, 2013 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date February 27, 2014

/s/ Francis J Shammo
Francis J Shammo
Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc and will be retained by Verizon Communications Inc and furnished to the Securities and Exchange Commission or its staff upon request

EXHIBIT 99

Selected Corporate Governance and Executive Compensation Information Included In the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014

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Business Conduct and Ethics

Verizon is committed to operating our business with the highest level of integrity, responsibility and accountability We have adopted a Code of Conduct that applies to all employees, including the Chief Executive Officer (CEO), the Chief Financial Officer and the Controller. The Code of Conduct describes each employee's responsibility to conduct business with the highest ethical standards and provides guidance in preventing, reporting and remediating potential compliance violations in key areas Directors are expected to act in compliance with the spirit of the Code of Conduct, as well as comply with the specific ethical provisions of the Corporate Governance Guidelines. We have posted the Code of Conduct on the Corporate Governance section of our website at www verizon com/investor You can also obtain a copy by writing to the Assistant Corporate Secretary at the address given under "Contacting Verizon "

The Board is strongly predisposed against waiving any of the business conduct and ethics provisions applicable to Directors or executive officers In the event of a waiver, we will promptly disclose the Board's action on our website.

Related Person Transaction Policy

The Board has adopted the Related Person Transaction Policy that is included in the Guidelines, which can be found in Appendix A The Corporate Governance and Policy Committee reviews transactions involving Verizon and any of our Directors or executive officers or their immediate family members to determine if any of the individual participants has a material interest in the transaction. Based on the facts and circumstances of each case, the Committee may approve, disapprove, ratify or cancel the transaction or recommend another course of action. Any member of the Committee who is involved in a transaction under review cannot participate in the Committee's decision about that transaction

From time to time Verizon may have employees who are related to our executive officers or Directors Francis J Shammo, Executive Vice President and Chief Financial Officer, has a brother-in-law who is employed by one of the Company's subsidiaries and earned approximately $358,000 in 2013 W. Robert Mudge, President – Consumer and

Mass Business Markets, has a brother who is employed by one of the Company's subsidiaries and earned approximately $126,000 in 2013 In each case, the amount of compensation was commensurate with that of other employees in similar positions

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Independence

Verizon's Corporate Governance Guidelines require that a substantial majority of the members of the Board be independent Directors The Guidelines establish standards for evaluating the independence of each Director A Director is considered independent if the Board finds that the Director is independent under the NYSE's and Nasdaq's governance standards and the additional standards included in the Guidelines, which identify the types of relationships that, if material, would impair a Director's independence. The standards set monetary thresholds at which the Board would consider the relationships to be material To determine that a Director is independent, the Board must find that a Director does not have any relationship that is likely to impair his or her ability to act independently The Board makes this determination by evaluating the facts and circumstances for each Director

The Corporate Governance and Policy Committee conducts an annual review of the independence of members of the Board and its Committees and reports its findings to the full Board Based on the recommendation of the Corporate Governance and Policy Committee, the Board has determined that the 10 incumbent non-employee Directors who are standing for election are independent Shellye Archambeau, Richard Carrión, Melanie Healey, M. Frances Keeth, Robert Lane, Donald Nicolaisen, Clarence Otis, Jr., Rodney Slater, Kathryn Tesija and Gregory Wasson The Board also determined that Sandra Moose, Joseph Neubauer and Hugh Price, who are retiring from the Board in April 2014 and are not standing for re-election, are independent

In determining the independence of Mr Carrión, Ms Healey, Mr Neubauer, Mr Otis, Mr. Price, Mr Slater, Ms Tesija and Mr Wasson, the Board considered payments for telecommunications services and solutions that the companies that employ them made to Verizon In determining Mr Neubauer's independence, the Board also considered payments that Verizon made under a competitively bid contract for food and facility management services to the company that employs him In determining Ms. Tesija's independence, the Board also considered payments that Verizon made to the company that employs her in connection with sales of Verizon's products and services in that company's stores In determining Mr. Wasson's independence, the Board also considered payments for workers' compensation prescription benefits that Verizon made to the company that employs him In applying the independence standards, the independent Directors have determined that these general business transactions and relationships are not material and do not impair the ability of those Directors to act independently

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- ***Audit Committee***

Members Donald Nicolaisen, Chairperson
M Frances Keeth
Sandra Moose
Clarence Otis, Jr
Gregory Wasson

The Board has determined that each member of the Committee is an audit committee financial expert and meets the independence requirements of applicable laws, the NYSE, Nasdaq and the Guidelines

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SHELLYE L. ARCHAMBEAU

Ms Archambeau, 51, is Chief Executive Officer of MetricStream, Inc., a leading provider of governance, risk, compliance and quality management solutions to corporations across diverse industries Under her leadership, the privately-held MetricStream has grown 2,500% over the past ten years, with approximately 1,000 employees worldwide Prior to joining MetricStream in 2002, Ms. Archambeau was Chief Marketing Officer and Executive Vice President of Sales for Loudcloud, Inc., a leader in Internet infrastructure services, Chief Marketing Officer of NorthPoint Communications and President of Blockbuster Inc.'s e-commerce division. Before joining Blockbuster, she held domestic and international executive positions during a 15-year career at IBM

Ms. Archambeau brings to the Board, among other skills and qualifications, leadership experience in technology, e-commerce, digital media and communications. An active participant in Silicon Valley's emerging company community, her in-depth knowledge of the technology sector and extensive background in the application of emerging technologies to address business challenges uniquely position her to advise the Board and senior management on implementing the Company's growth strategies Ms Archambeau's experience developing and marketing telecommunications and Internet services and solutions gives her insight into areas critical to Venzon's success

Ms. Archambeau has served as a Director of Venzon since December 2013. In the past five years, she has served on the board of Arbitron, Inc

RICHARD L. CARRIÓN

Mr Camón, 61, has served for over 18 years as Chairman, President and Chief Executive Officer of both Popular, Inc., a diversified bank holding company, and Banco Popular de Puerto Rico, Popular Inc 's principal bank subsidiary Popular, Inc. is the largest financial institution based in Puerto Rico, with consolidated assets of $36 billion, total deposits of $27 billion and 8,059 employees as of December 31, 2012 In addition to his experience guiding these companies, Mr Camón has been a class A director of the Federal Reserve Bank of New York since 2008 In that role, he contributes to the formulation of monetary policy, oversight of the bank's operational risk management and the review and appointment of senior management of the bank

As a result of his tenure as Chairman, President and Chief Executive Officer of Popular, Inc and Banco Popular de Puerto Rico, Mr Camón brings to the Board a strong operational and strategic background and extensive business, leadership and management experience In addition, Mr Camón s knowledge of business and consumer services gives him insights into providing services to retail and business customers, activities that make up a significant portion of Venzon's business Mr Camón's experience at the Federal Reserve Bank of New York also enables him to advise the Board and senior management on risk management, which is an important area for a large, complex organization like Venzon

Mr. Camón has served as a Director of Venzon since 1997 and was a director of NYNEX Corporation from 1995 to 1997 He is Chairperson of the Finance Committee and a member of the Corporate Governance and Policy Committee and the Human Resources Committee

MELANIE L. HEALEY

Ms. Healey, 52, is Group President – North America and Global Hyper-Market, Super-Market and Mass Channel of The Procter & Gamble Company, a provider of branded consumer packaged goods to customers in over 180 countries around the world. In this role, Ms Healey is responsible for the overall North America business, which in fiscal 2013 had net sales of $32 8 billion Since joining Procter & Gamble in 1990, Ms Healey has held positions of increasing responsibility, including Group President, Global Feminine and Health Care, and President, Global Feminine Care & Adult Care

Ms. Healey brings to the Board, among other skills and qualifications, an extensive background in consumer goods, marketing and international operations. Her experience in marketing, including more than 15 years outside the United States, uniquely positions Ms. Healey to advise the Board and senior management on critical issues facing Venzon, including corporate strategy with respect to brand management, the consumer experience and global growth. In addition, Ms. Healey's leadership experience at a complex international organization with a large, diverse workforce gives her a thorough understanding of the operational challenges facing Verizon

Ms. Healey has served as a Director of Venzon since 2011 and is a member of the Human Resources Committee

M. FRANCES KEETH

Ms. Keeth, 67, was Executive Vice President of Royal Dutch Shell plc, an energy company, from 2005 to 2006. In this role, Ms. Keeth was accountable for Shell's global chemicals businesses, which produced $36.3 billion in third party revenue in 2006 and operated in 35 countries. From 2001 to 2006, she was also President and Chief Executive Officer of Shell Chemicals LP, Shell's U.S. operating company through which it conducted all of its operations in the United States. During her 37-year career, Ms. Keeth held multiple positions of increasing responsibility at Shell, including serving as Executive Vice President, Finance and Business Systems, and Executive Vice President, Customer Fulfillment and Product Business Units. In addition, from 1996 to 1997, Ms. Keeth was controller and principal accounting officer of Mobil Corporation.

Ms. Keeth's extensive senior leadership experience at Shell, a complex global business organization, positions her well to advise the Board and senior management on a wide range of strategic and financial matters. Ms. Keeth brings to the Board, among other skills and qualifications, valuable business, leadership and operations management experience in a global, capital-intensive business. As a result of this experience, she is able to provide insights into many aspects of our business, including business systems, public accounting and finance. Ms. Keeth also has extensive expertise in international operations and strategic partnerships, which assists the Company in implementing our growth strategies.

Ms. Keeth has served as a Director of Venzon since 2006 and is a member of the Audit Committee, the Human Resources Committee, and the Finance Committee. She is also a director of Arrow Electronics, Inc. (since 2004) and, in the past five years, she has served as a director of Peabody Energy Corporation.

ROBERT W. LANE

Mr. Lane, 64, served as Chairman and Chief Executive Officer of Deere & Company from 2000 to 2009. Deere & Company is an equipment manufacturer that in fiscal 2009 had net sales and revenues of $23.1 billion and approximately 51,300 employees as of October 31, 2009. During his 28 years at Deere, Mr. Lane held positions of increasing responsibility across a wide variety of domestic and overseas units. These positions included serving as President and Chief Operating Officer of the company, President of the Worldwide Agricultural Equipment Division, Chief Financial Officer of the company and President and Chief Operating Officer of Deere Credit, Inc.

Mr. Lane's tenure as Chairman and Chief Executive Officer of Deere & Company and as a senior executive in several of its business units provides him with valuable business, leadership and management experience, including experience leading a large, complex organization with global operations. This background gives him a global perspective that positions him well to advise the Board and senior management on implementing the Company's growth strategies. Mr. Lane also brings to the Board an extensive background in manufacturing, marketing, operations and finance.

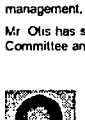
Mr. Lane has served as a Director of Venzon since 2004 and is a member of the Finance Committee. He is also a director of General Electric Company (since 2005) and Northern Trust Corporation (since 2009) and a member of the supervisory board of BMW AG (since 2009). In the past five years, Mr. Lane has served on the board of Deere & Company as its Chairman.

CLARENCE OTIS, JR.

Mr. Otis, 57, has been Chairman of Darden Restaurants, Inc., a restaurant holding company, since 2005 and Chief Executive Officer since 2004. Darden Restaurants is the largest company-owned and operated full-service restaurant company in the world. As of May 26, 2013, the company's 206,000 employees operated 2,138 restaurants in the United States and Canada and generated fiscal 2013 sales of $8.5 billion. Mr. Otis joined Darden in 1995 as Vice President and Treasurer and held positions of increasing responsibility, including serving as Chief Financial Officer from 1999 until 2002, Executive Vice President from 2002 to 2004 and President of Smokey Bones Barbeque & Grill, a restaurant concept formerly owned and operated by Darden Restaurants, from 2002 to 2004. In addition, Mr. Otis has served as a class B director of the Federal Reserve Bank of Atlanta since 2010. In that role, he contributes to the formulation of monetary policy, oversight of the bank's operational risk management and the review and appointment of senior management of the bank.

Mr. Otis brings to the Board, among other skills and qualifications, a broad background in consumer services, retail operations and finance, which are critical areas for Venzon. He has extensive business, leadership and management experience. Mr. Otis leads a complex organization with a large, diverse workforce, which gives him a thorough understanding of many of the operational challenges Venzon faces. In addition, as a result of his experience at the Federal Reserve Bank of Atlanta, Mr. Otis is positioned well to advise the Board and senior management on risk management, which is an important area for a large, complex organization like Venzon.

Mr. Otis has served as a Director of Venzon since 2006 and is a member of the Audit Committee, the Finance Committee and the Human Resources Committee. He is also a director of VF Corporation (since 2004).



RODNEY E. SLATER

Mr. Slater, 59, is a partner at the law firm Patton Boggs LLP, focusing his practice in the areas of transportation and infrastructure and public policy. Prior to joining Patton Boggs, from February 1997 to January 2001, Mr. Slater was the U.S. Secretary of Transportation. In that position, Mr. Slater was responsible for overseeing national transportation policy, encouraging intermodal transportation, negotiating international transportation agreements and assuring the fitness of U.S. airlines. Prior to his appointment as Secretary of Transportation, from 1993 to 1997, Mr. Slater was the Administrator of the Federal Highway Administration, which provides financial and technical support for constructing, improving and preserving the U.S. highway system.

Mr. Slater's experience as the U.S. Secretary of Transportation and as the Administrator of the Federal Highway Administration positions him well to provide oversight to our Company, which operates in a highly regulated industry, and to advise the Board and senior management on logistics, strategic partnerships, government relations and public policy. Each of these areas is an important focus for Venzon and has a fundamental impact on the way the Company operates. Mr. Slater also brings to the Board his experience guiding clients in developing infrastructure, as well as insights on the role of law in our business.

Mr. Slater has served as a Director of Venzon since 2010 and is a member of the Corporate Governance and Policy Committee. He is also a director of Kansas City Southern (since 2001), Transurban Group (since 2009) and Atkins plc (since 2011). In the past five years, Mr. Slater has served as a director of Delta Air Lines, Inc. and ICx Technologies, Inc.

LOWELL C. MCADAM

Mr. McAdam, 59, is Chairman and Chief Executive Officer of Venzon Communications Inc. Mr. McAdam became Chief Executive Officer on August 1, 2011 and Chairman on January 1, 2012. From October 2010 until becoming Chief Executive Officer, Mr. McAdam served as President and Chief Operating Officer and had responsibility for the operations of the Company's network-based businesses--Venzon Wireless and Venzon Telecom and Business--as well as Venzon's shared services operations. Prior to assuming this role, Mr. McAdam held key executive positions at Venzon Wireless from its inception in 2000 and was instrumental in building Venzon Wireless into an industry-leading wireless provider. He was President and Chief Executive Officer of Venzon Wireless from 2007 until 2010, and before that served as the company's Executive Vice President and Chief Operating Officer. Before the formation of Venzon Wireless, Mr. McAdam held executive positions with PrimeCo Personal Communications, a joint venture owned by Bell Atlantic and Vodafone AirTouch, AirTouch Communications and Pacific Bell.

Mr. McAdam brings to the Board a unique understanding of our strategies and operations through his broad experience in the telecommunications industry and his pivotal role in the development of Venzon Wireless. Mr. McAdam serves a key leadership role on the Board, providing the Board with an in-depth knowledge of the Company's business, industry, challenges and opportunities. His extensive leadership experience enables Mr. McAdam to play a key role in all matters involving our Board and positions him well to act not only as the Board's Chairman, but also as the principal intermediary between management and the independent members of our Board.

Mr. McAdam has served as a Director of Venzon since 2011. Mr. McAdam has been a member of the Board of Representatives of Venzon Wireless since 2003 and has served as its Chairman since 2010.

DONALD T. NICOLAISEN

Mr. Nicolaisen, 69, was Chief Accountant of the U.S. Securities and Exchange Commission from 2003 to 2005. In that role, Mr. Nicolaisen was responsible for establishing and enforcing accounting and auditing policy applicable to all U.S. reporting companies and for improving the professional performance of public company auditors. Prior to joining the SEC, he was a Partner in PricewaterhouseCoopers and its predecessors, which he joined in 1967. At PricewaterhouseCoopers, Mr. Nicolaisen served on the firm's global and international boards, led the firm's national office for accounting and SEC services from 1988 to 1994, led the firm's financial services practice, and was responsible for auditing and providing risk management advice to large, complex multinational firms.

Mr. Nicolaisen brings to the Board a range of experience in leadership positions in both the public and private sector. His extensive experience as Chief Accountant at the SEC, an outside strategic advisor to multinational companies and a senior leader of one of the world's largest accounting firms enables him to advise the Board and senior management on accounting matters, government relations and public policy. Mr. Nicolaisen's unique financial and accounting background also provides financial expertise to the Board, including an in-depth understanding of risk management, corporate finance and accounting, as well as the numerous issues facing a public reporting company.

Mr. Nicolaisen has served as a Director of Venzon since 2005 and is Chairperson of the Audit Committee and a member of the Corporate Governance and Policy Committee. He is also a director of MGIC Investment Corporation (since 2006), Morgan Stanley (since 2006) and Zurich Insurance Group (since 2006).

KATHRYN A. TESIJA

Ms. Tesija, 51, is Executive Vice President, Merchandising and Supply Chain and a member of the Executive Committee of Target Corporation, the second largest discount retailer in the United States with 1,782 stores, revenues of $70.0 billion and approximately 365,000 employees in fiscal 2012. In this role, which she has held since 2008, Ms. Tesija oversees all merchandising functions, including product design and development, sourcing, inventory management, merchandising systems, presentation and operations as well as the company's global supply chain. Ms. Tesija joined Target in 1986 and was appointed to numerous positions of increasing responsibility at the company, ranging from Director, Merchandise Planning to Senior Vice President, Hardlines Merchandising.

As a result of her long tenure at Target, Ms. Tesija has gained broad business and leadership experience. Along with her significant management skills, Ms. Tesija brings to the Board an in-depth knowledge of the retail industry, expertise in leading the complex, large-scale, global retail functions of merchandising and supply chain and significant insight into consumer behavior, which give her a thorough understanding of many important issues facing Venzon. Her extensive background positions Ms. Tesija well to advise the Venzon Board and senior management on implementing the Company's strategies.

Ms. Tesija has served as a Director of Venzon since December 2012 and is a member of the Corporate Governance and Policy Committee.

GREGORY D. WASSON

Mr. Wasson, 55, is President and Chief Executive Officer of Walgreen Co., the nation's largest retail drugstore chain, which in fiscal 2013 had $72.2 billion of net sales, 8,582 locations and 240,000 employees. In June 2012, Walgreens announced a strategic partnership with Alliance Boots, the leading pharmacy-led health and beauty group across Europe with a presence in more than 25 countries. Mr. Wasson has served as President and Chief Executive Officer and as a member of the board of directors of Walgreens since 2009. A registered pharmacist, he joined the company in 1980 and was appointed to positions of increasing responsibility, including President of Walgreens Health Initiatives in 2002, Senior Vice President of Walgreens in 2004, Executive Vice President of Walgreens in 2005 and President and Chief Operating Officer of Walgreens in 2007.

As Chief Executive Officer of Walgreens, Mr. Wasson has gained valuable operational and management experience at a complex organization with a large, diverse workforce and significant global operations, which gives him a thorough understanding of the challenges facing Venzon in implementing our growth strategies. Mr. Wasson brings to the Board an in-depth knowledge of the retail industry and insight into the consumer experience. In addition, his extensive background in the healthcare industry positions Mr. Wasson well to advise the Board and senior management on an area of increasing importance to Venzon's evolving business strategy.

Mr. Wasson has served as a Director of Venzon since March 2013 and is a member of the Audit Committee and the Human Resources Committee.

Ratification of Appointment of Independent Registered Public Accounting Firm

(Item 2 on Proxy Card)

The Audit Committee of the Board considered the performance and qualifications of Ernst & Young LLP, and has reappointed the independent registered public accounting firm to examine the financial statements of Verizon for the fiscal year 2014 and to examine the effectiveness of internal control over financial reporting Ernst & Young has been retained as Verizon's Independent Registered Public Accounting Firm since 2000.

Verizon paid the following fees to Ernst & Young for services rendered during fiscal years 2013 and 2012.

	2013	2012
Audit fees	$ 24 6 million	$23.9 million
Audit-related fees	$ 4 6 million	$3 3 million
Tax fees	$4 0 million	$3 8 million
All other fees	$1 1 million	$0 7 million

Audit fees include the financial statement audit, the audit of the effectiveness of the Company's internal control over financial reporting required by the Sarbanes-Oxley Act of 2002, as well as financial statement audits required by statute for our foreign subsidiaries or by regulatory agencies in the United States Audit-related fees primarily include audits of other subsidiaries, employee benefit plan audits, reviews of controls over services provided to customers, as well as other audit and due diligence procedures performed in connection with acquisitions or dispositions Tax fees primarily consist of federal, state, local and international tax planning and compliance All other fees primarily consist of support services to certain Verizon expatriate employees The Committee considered, in consultation with management and the independent registered public accounting firm, whether the provision of these services is compatible with maintaining the independence of Ernst & Young

The Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to perform audit services. In order to assure continuing auditor independence, the Committee periodically considers whether there should be a regular rotation of the independent registered public accounting firm The Committee ensures that the mandated rotation of the independent registered public accounting firm's personnel occurs routinely and is directly involved in the selection of Ernst & Young's lead engagement partner.

The Committee has established policies and procedures regarding pre-approval of services provided by the independent registered public accounting firm and is responsible for the audit fee negotiations associated with the engagement of the independent registered public accounting firm At the beginning of the fiscal year, the Committee pre-approves the engagement of the independent registered public accounting firm to provide audit services based on fee estimates The Committee also pre-approves proposed audit-related services, tax services and other permissible services, based on specified project and service details, fee estimates, and aggregate fee limits for each service category The Committee receives a report at each meeting on the status of services provided or to be provided by the independent registered public accounting firm and the related fees and all fees are approved

The affirmative vote of a majority of the shares cast at the annual meeting is required to ratify the reappointment of Ernst & Young for the 2014 fiscal year The Committee believes that the continued retention of Ernst & Young to serve as Verizon's independent registered public accounting firm is in the best interests of Verizon and its shareholders If this appointment is not ratified by the shareholders, the Committee will reconsider its decision

One or more representatives of Ernst & Young will be at the 2014 Annual Meeting of Shareholders They will have an opportunity to make a statement and will be available to respond to appropriate questions

The Board of Directors recommends that you vote FOR ratification.

Compensation Committee Report

The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussions, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the Compensation Discussion and Analysis in this proxy statement and the Company's Annual Report on Form 10-K

Respectfully submitted,

Human Resources Committee

Joseph Neubauer, Chairperson
Richard Carrión
Melanie Healey
M Frances Keeth
Clarence Otis, Jr
Gregory Wasson

Dated February 25, 2014

Compensation Discussion and Analysis

The Human Resources Committee of the Board of Directors oversees the development and implementation of the total compensation program for Verizon's named executive officers. Throughout this discussion and analysis of compensation, we refer to the Board of Directors as the Board and the Human Resources Committee as the Committee

For 2013, Verizon's named executive officers were

Lowell C McAdam	Chairman and Chief Executive Officer
Daniel S Mead	Executive Vice President and President and Chief Executive Officer – Verizon Wireless
Francis J Shammo	Executive Vice President and Chief Financial Officer
John G Stratton	Executive Vice President and President – Verizon Enterprise Solutions
Randal S Milch	Executive Vice President – Public Policy and General Counsel

Executive Summary

Verizon's strategy is to build on the strength of our network as a platform for future growth and innovation. To that end, in 2013 we focused on the growing areas of our business – mobility, broadband, video, cloud services and security We also passed a strategic milestone, entering into a transaction that would give us sole ownership of Verizon Wireless, which we expect to enable us to better leverage our assets and capabilities across our business going forward Under the leadership of our management team, our solid execution on our strategic initiatives and our disciplined focus on our financial objectives delivered strong results in 2013 These included

Performance Metric [1]	2013 Result	Change from 2012
Adjusted EPS	$2 84	26 8%
Total Revenue	$120 6B	4 1%
Free Cash Flow	$22.2B	45 1%
Return on Equity	23 6%	654 bps

[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures can be found in Appendix C to this proxy statement

As discussed in greater detail below, based on Verizon's strong financial performance in 2013 and total shareholder return over the past three years, the 2013 short-term incentive award was paid at 110% of its targeted level and the performance stock units granted in connection with the 2011-2013 long-term incentive award vested at the 100% level

Summary of Executive Compensation Program and Practices

Our commitment to adopting industry-leading compensation and governance practices is reflected in the design of our compensation program Some of these elements include

Pay-for-Performance

Approximately 90% of our named executive officers' annual total compensation opportunity is variable, at risk and incentive-based The primary components of our executive compensation program and their approximate percentage of the total compensation opportunity are as follows

- 90% variable, incentive-based pay – comprised of an annual cash incentive based on achievement of pre-established performance goals and a long-term incentive in the form of an equity-based award that vests after three years and is composed of PSUs and RSUs
- 10% fixed pay – annual cash base salary

In addition, the compensation program does not include other forms of fixed, non-performance related pay, such as guaranteed pension and supplemental retirement benefits

Benchmarking Total Compensation

The Committee benchmarks each executive's total compensation opportunity against a single peer group, referred to as the Related Dow Peers and described beginning on page 32 and in Appendix B The Committee references the 50 th percentile of the Related Dow Peers for total compensation opportunity, with further consideration given to the tenure and overall level of responsibility of a particular executive.

Evaluation of Potential Linkage between Compensation and Risk Taking

When reviewing the compensation program and the performance metrics used under the program, the Committee considers the impact of the compensation program on the Company's risk profile The Committee believes that Verizon's compensation program has been structured to provide strong incentives for executives to appropriately balance risk and reward consistent with the Company's enterprise business risk management efforts

Shareholder Outreach Program

At the request of the Committee, management and the Committee's compensation consultant, Pearl Meyer & Partners (the Consultant), engage in a semiannual shareholder outreach program with certain institutional investors to discuss the design and operation of Verizon's executive compensation program Management and the Consultant provide a report to the Committee on the results of that outreach. The Committee believes this program provides opportunities for shareholders to provide input on Verizon's executive compensation program and policies in addition to the annual say-on-pay vote

The Role of Shareholder Say-on-Pay Votes and Shareholder Outreach

The Company provides its shareholders with the opportunity to cast an annual advisory vote on executive compensation (say-on-pay) At the Company's Annual Meeting of Shareholders held in May 2013, approximately 89% of the votes cast on the say-on-pay proposal were voted in favor of the proposal The Committee considered this vote as demonstrating strong shareholder support for the Company's executive compensation programs

Based on the shareholders' strong support for the Company's say-on-pay proposal in 2013 as well as in each of the preceding years that a say-on-pay vote has been held and the discussions with the Company's investors during the semiannual shareholder outreach program described above, the Company continued to apply the same effective principles and philosophies highlighted above and described more fully below that have been applied in prior years when making compensation decisions for 2013

Role of Benchmarking and Peer Group Selection

The Committee believes that it is appropriate to use the same peer group to benchmark executive pay opportunities and to evaluate Verizon's relative stock performance under its long-term incentive plan For this

purpose, the Committee uses a single peer group that includes the 29 companies (other than Verizon) in the Dow Jones Industrial Average, plus Verizon's four largest industry competitors that are not included in the Dow Jones Industrial Average This group is referred to as the Related Dow Peers. The Committee believes that this group of companies, comprised of similarly-sized companies based on market capitalization, net income, revenue and total employees that are included in an established and recognizable index, as well as Verizon's four other largest industry competitors, is appropriate for the dual purpose of benchmarking executive pay opportunities and evaluating relative stock performance under the long-term incentive plan because the companies in the Related Dow Peers represent Verizon's primary competitors for executive talent and investor dollars. Moreover, this peer group is self-adjusting so that changes in the companies included in the Dow Jones Industrial Average are also reflected in the Related Dow Peers over time. For this reason, the Committee believes that the Related Dow Peers provides a consistent measure of Verizon's performance and makes it easier for shareholders to evaluate, monitor and understand Verizon's compensation program

To determine whether the compensation opportunities for executives are appropriate and competitive, the Committee compares each named executive officer's total compensation opportunity – which represents the aggregate total amount of the executive's base salary and target award amounts under the short-term and long-term incentive plans – to the total compensation opportunities for executives in comparable positions at peer companies The Committee generally references the 50 th percentile of the Related Dow Peers for total compensation opportunity, although the total compensation opportunity may be above or below the 50 th percentile depending upon the tenure and overall level of responsibility of a particular executive The Committee believes that this is an appropriate targeted level of total compensation opportunity because of Verizon's emphasis on performance-based incentive pay and Verizon's size relative to the Related Dow Peers Actual total compensation may fall above or below the targeted percentile based on annual and long-term performance results.

Appendix B to this proxy statement includes a chart that lists the companies included in the Related Dow Peers for 2013 compensation purposes, their market capitalization as of December 31, 2013, as reported by Bloomberg, and their net income attributable to the company, revenue and total number of employees, as of each company's most recent fiscal year-end as reported in SEC filings.

Compensation Objectives and Elements of Compensation

Compensation Objectives

Verizon's compensation program is designed to

- Align executives' and shareholders' interests through the use of performance-based compensation, and
- Attract, retain and motivate high-performing executives.

To promote a performance-based culture that further links the interests of management and shareholders, the Committee has developed a compensation program that

- focuses extensively on variable, performance-based compensation, with fixed compensation in the form of base salary constituting only approximately 10% of each executive's total compensation opportunity, and
- does not include such fixed compensation elements as guaranteed defined benefit pension and supplemental pension benefits.

In establishing the mix of incentive pay used in the Company's pay-for-performance program, the Committee balances the importance of meeting the Company's short-term business goals with the need to create shareholder value over the longer term To help ensure that the interests of executives remain closely aligned with the interests of shareholders, target long-term compensation opportunities represent more than twice the target compensation opportunities related to short-term performance

Additionally, the Company's compensation program features three-year long-term incentive awards, including PSUs subject to both performance-based and time-based vesting requirements and, to encourage high-performing executives to remain with the Company, RSUs that vest based on the executive's continued employment through the end of the three-year performance cycle.

Elements of Compensation

In setting total compensation at competitive levels, the Committee determines the appropriate balance between

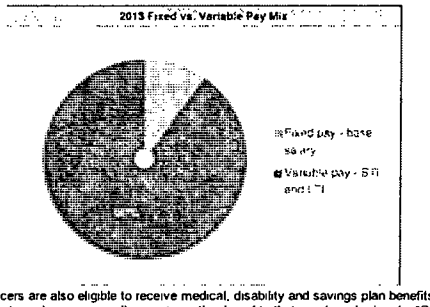
- Fixed and variable pay elements;
- Short- and long-term pay elements, and
- Cash and equity-based pay elements

The following table illustrates the principal elements of Verizon's executive compensation program

Pay Element	Characteristics	Primary Objective
Base salary	Annual fixed cash compensation	Attract and compensate high-performing and experienced executives
Short-term incentive opportunity (STI)	Annual variable cash compensation based on the achievement of annual performance measures	Incentivize executives to achieve challenging short-term performance goals
Long-term incentive opportunity (LTI)	Long-term variable equity awards granted annually as a combination of PSUs and RSUs	Align executives' interests with those of shareholders to grow long-term value and retain executives

As discussed above, the Committee references the 50 th percentile of the Related Dow Peers to benchmark the total compensation opportunity of each of our named executive officers. However, the Committee does not benchmark each element of a named executive officer's total compensation opportunity. Instead, consistent with the Committee's emphasis on a performance-based culture, the Committee has determined that a substantial majority of each named executive officer's total compensation opportunity should be variable and performance-based. Accordingly, the Committee determined in its business judgment to allocate approximately 10% of each executive's total compensation opportunity in the form of base salary, approximately 15% to 25% in the form of short-term incentive, and approximately 65% to 75% in the form of long-term incentive

The following chart illustrates the approximate allocation of the named executive officers' total compensation opportunity for 2013 between elements that are variable, performance-based and fixed pay



The named executive officers are also eligible to receive medical, disability and savings plan benefits that are generally provided to all management employees, as well as certain other benefits that are described under "Other Elements of the Total Compensation Program" beginning on page 40.

2013 Annual Base Salary

To determine an executive's base salary, the Committee, in consultation with the Consultant, reviews the competitive pay practices of the Related Dow Peers for comparable positions and considers the scope of the executive's responsibility and experience. In particular, the Committee focuses on how base salary levels may impact the market competitiveness of an executive's total compensation opportunity. The Committee also discusses its assessment of the other named executive officers with the CEO. Based on its assessment, the Committee approved a base salary increase in 2013 of 12.5% for Mr. Mead, 10.7% for Mr. Shammo, 7.4% for Mr. Stratton and 3.1% for Mr. Milch. The base salary levels of the named executive officers were adjusted with the goal of providing a total compensation opportunity that more closely approximates the 50 th percentile for comparable executives within the Related Dow Peers, with approximately 10% of each named executive officer's total compensation opportunity provided in the form of base salary. In 2013 the independent members of the Board approved an increase of 7.1% for Mr. McAdam. This is the first base salary increase that Mr. McAdam has received since 2010 when he was promoted to the position of President and Chief Operating Officer of Verizon

2013 Short-Term Incentive Compensation

The Verizon Short-Term Incentive Plan, which is referred to as the Short-Term Plan, motivates executives to achieve challenging short-term performance goals. Each year, the Committee establishes the potential value of the opportunities under the Short-Term Plan, as well as the performance targets required to achieve these opportunities.

The Committee sets the values of the Short-Term Plan award opportunities as a percentage of an executive's base salary. The applicable percentage for each named executive officer is based on the scope of the executive's responsibilities and on the competitive pay practices of the Related Dow Peers. These award opportunities are established at threshold, target and maximum levels. The Short-Term Plan award opportunities at the threshold, target and maximum levels for each of the named executive officers are shown in the Grants of Plan-Based Awards table on page 46

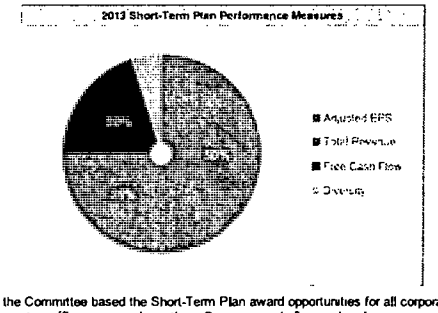
The following chart shows the 2013 Short-Term Plan target award opportunity for each of the named executive officers

Named Executive Officer	2013 Short-Term Plan Target Award Opportunity ($)
Mr. McAdam	3,750,000
Mr. Mead	990,000
Mr. Shammo	852,500
Mr. Stratton	797,500
Mr. Milch	737,000

The 2013 target award opportunities for our named executive officers, expressed as a percentage of base salary, did not increase from the target levels established for their 2012 award opportunities. Whether, and the extent to which, the named executive officers earn the targeted Short-Term Plan award is determined based on whether Verizon achieves performance measures established by the Committee at the beginning of the year.

Determination of Annual Performance Measures

The Committee reviews and establishes the performance measures for the Short-Term Plan on an annual basis to help ensure that the program design appropriately motivates executives to achieve challenging financial and operational performance goals. In the first quarter of 2013, the Committee reviewed and approved the following annual financial and operating performance measures for all corporate executives, including the named executive officers, and ascribed to each the weighting shown below as the percentage of the total Short-Term Plan award opportunity at target level performance



Consistent with 2012, the Committee based the Short-Term Plan award opportunities for all corporate executives, including the named executive officers, primarily on three Company-wide financial performance measures, as determined by specific goals for adjusted EPS, revenue and free cash flow. These three measures were selected to reflect the Company's strategic goals of encouraging profitable operations, overall growth in the Company and efficient use of capital. The Committee believes that these performance measures are appropriate to incentivize the Company's executives to achieve outstanding short-term results and, at the same time, help build long-term value for shareholders

Adjusted EPS The Committee also views adjusted EPS as an important indicator of Verizon's success. The Committee assigns the greatest weight to adjusted EPS in determining awards under the Short-Term Plan, because it is broadly used and recognized by investors as a significant indicator of Verizon's ongoing operational performance and is a clearly defined indicator of the Company's profitability. Adjusted EPS excludes non-recurring and non-operational items, including but not limited to impairments and gains and losses from discontinued operations, business combinations, changes in accounting principles, the net impact of pension and post-retirement benefit costs, extraordinary items and restructurings. As a result, adjusted EPS is not positively or negatively impacted from period to period by these types of items, so the Committee believes it better reflects the relative success of the Company's ongoing business

Revenue. The Committee also views achievement of consolidated total revenue goals as an important indicator of the Company's growth and success in managing its capital investments. This measure also reflects the level of penetration of Verizon's products and services in key markets.

Free Cash Flow. The Committee views consolidated free cash flow as another important indicator of Verizon's success in delivering shareholder value, because investors often consider free cash flow as part of their equity valuation models. Free cash flow is determined by subtracting capital expenditures from cash flow from operations. The Committee believes that this type of cash flow measure is relevant for Verizon because Verizon's businesses require significant capital investment, and the level of free cash flow reflects how efficiently a business is managing its capital expenditures. Free cash flow also provides an indication of the amount of cash that the Company has available to return to shareholders in the form of dividends and to reduce its outstanding debt, both of which we consider to be important goals

Diversity. The Company is committed to promoting diversity among its employees and to recognizing and encouraging the contribution of diverse business partners to the Company's success. To reflect that important commitment, the 2013 performance measures also include a diversity measure. For 2013, the Committee determined that the diversity target would be measured for these purposes by the percentage of new hires and promotions at and above the manager level consisting of minority and female candidates and the levels of supplier spending at the corporate level with minority- and female-owned or operated firms

The value of the Short-Term Plan award opportunity with respect to each performance measure varies depending on the Committee's assessment of the Company's performance with respect to that measure. The Committee also has the discretion to modify awards based on other factors that it deems appropriate.

In addition, under the Short-Term Plan no awards may be paid if Verizon's return on equity for the plan year, calculated based on adjusted net income (ROE), does not exceed 8%, even if some or all of the other performance measures are achieved.

2013 Annual Performance Measures

The 2013 annual performance measures for all corporate executives, including the named executive officers, were

- An adjusted EPS target range of $2.52 to $2.66,
- A consolidated total revenue target range of $121.4 billion to $122.0 billion,
- A consolidated free cash flow target range of $20.8 billion to $22.4 billion, and
- A diversity target of (i) having 50% of new hires and promotions at and above the manager level consist of minority and female candidates, and (ii) directing at least 10% of the overall supplier spending at the corporate level to minority- and female-owned or operated firms.

2013 Company Results and Annual Performance Awards

In 2013, Verizon reported generally strong results. Verizon's 2013 results [1] included

- ROE of 23.6%,
- Adjusted EPS of $2.84, which exceeded the target range,
- Consolidated total revenue of $120.6 billion, which was just below the target range,
- Consolidated free cash flow of $22.2 billion, which was within the target range; and
- Diversity in new hires and promotions above target performance and supplier spending above target performance.

After considering the level of performance with respect to each performance measure, and applying its business judgment based on its assessment of the level of achievement of each goal individually and collectively, the Committee and, for Mr. McAdam, the independent members of the Board, determine the final Short-Term Plan awards at a percentage of the target level for all participants. For 2013, the payout percentage was determined to be 110% of the target level for all corporate executives. The following table shows the amount of the Short-Term Plan awards paid to each named executive officer

Named Executive Officer	Actual 2013 Short-Term Plan Award ($)
Mr. McAdam	4,125,000
Mr. Mead	1,089,000
Mr. Shammo	937,750
Mr. Stratton	877,250
Mr. Milch	810,700

[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures may be found in Appendix C to this proxy statement

Long-Term Incentive Compensation

The Verizon Long-Term Incentive Plan, which is referred to as the Long-Term Plan, is intended to reward participants for the creation of long-term shareholder value over a three-year period and further link executives' interests to shareholders' interests In considering the appropriate duration of the performance cycle under the Long-Term Plan, the Committee believes that it is important to establish a period that is longer than one year in order to meaningfully evaluate the performance of long-term strategies and the effect on value created for shareholders Based on this consideration, the Committee determined that a three-year performance cycle for the Long-Term Plan awards was appropriate

Consistent with the three prior award cycles, the 2013 PSUs are payable in cash and the 2013 RSUs are payable in Verizon shares. The Committee believes that paying PSUs in cash and RSUs in shares creates an appropriate balance between the potential shareholder dilution from paying awards in shares and cash flow considerations, and that both types of awards further align executives' interests with those of Verizon's shareholders as the ultimate values of the awards are based on the value of Verizon's common stock In addition, paying the 2013 RSU awards in shares is consistent with Verizon's policy of requiring a significant level of equity ownership by our named executive officers

The value of each PSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in PSUs The dividend equivalents are only paid to the extent that PSUs are vested and earned The Committee determines an executive's total compensation opportunity by assuming that he or she will earn 100% of the PSUs initially awarded in any performance cycle However, the number of PSUs that are actually earned and paid is determined based on Verizon's achievement of the pre-established performance goals over the three-year performance cycle The final value of each PSU is based on the closing price of Verizon's common stock on the last trading day of the year that the performance cycle ends As a result, awarding PSUs provides a strong incentive to executives to deliver value to Verizon's shareholders

On the date the long-term incentive is awarded, the Committee also establishes the number of RSUs that may be earned based on the executive's continued employment with the Company through the end of the three-year award cycle as reflected in the award agreement The value of each RSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in RSUs The dividend equivalents are only paid to the extent that the RSUs vest The 2013 RSU awards are payable in shares at the end of the three-year award cycle and provide both a retention incentive and a performance incentive as the value of the award depends on Verizon's stock price The Committee determines an executive's total compensation opportunity by assuming he or she will earn 100% of the RSUs awarded

2013 Long-Term Plan Award Opportunities

Consistent with the 2012 awards, for 2013, each of the named executive officers received 60% of their 2013 Long-Term Plan award opportunity in the form of PSUs and 40% of their award opportunity in the form of RSUs Two-thirds of the PSUs are eligible to vest based on Verizon's relative TSR performance and one-third is eligible to vest based on Verizon's cumulative free cash flow This allocation reflects the Committee's focus on encouraging both outstanding relative TSR performance and free cash flow creation and the retention of the Company's highly-qualified executive team.

The Committee generally establishes an executive's Long-Term Plan target award opportunity as a percentage of the executive's base salary The Long-Term Plan target award opportunity for each of the named executive officers in 2013 was 625% of base salary for Mr McAdam, 525% of base salary for Messrs. Mead, Shammo and Stratton and 500% of base salary for Mr Milch The target award opportunities for the named executive officers increased over their 2012 target award opportunities solely as a result of their base salary increases identified above (*i e*, their target award opportunities, expressed as a percentage of their base salaries, did not change) The Committee determined that these award levels were appropriate so that each executive's target annual Long-Term Plan award opportunity would constitute a significant portion of the executive's benchmarked total compensation opportunity consistent with the objectives of the Company s pay-for-performance program The target award opportunity for an executive is allocated between PSUs and RSUs as noted above, and the target award opportunity allocated to each type of award is converted into a target number of shares using the closing price of Verizon's common stock on the grant date.

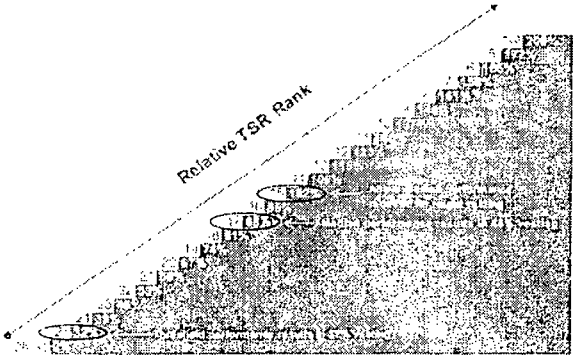
The following table shows the target value of the awards granted to the named executive officers during 2013 in connection with the annual long-term incentive compensation opportunity Additional detail regarding the 2013 PSU awards, including the performance requirements, follows the table

Named Executive Officer	2013 Long-Term Plan Target Award Opportunity ($)
Mr McAdam	9,375,000
Mr Mead	4,725,000
Mr. Shammo	4,068,750
Mr. Stratton	3,806,250
Mr Milch	3,350,000

Terms of 2013 PSU Awards

Two-thirds of the number of PSUs awarded are eligible to vest based on Verizon's TSR as compared to the TSRs of the companies in the Related Dow Peers, as constituted on the grant date of the award, over the 2013-2015 performance cycle One-third of the number of PSUs awarded is eligible to vest based on Verizon's cumulative free cash flow over the 2013-2015 performance cycle compared against the performance targets established by the Committee at the beginning of the performance cycle

TSR Metric. With respect to PSUs that vest based on relative TSR performance (TSR PSUs), the following chart shows the percentage of the TSR PSUs awarded for the 2013-2015 performance cycle that will vest based on Verizon's relative TSR positioning compared with the companies in the Related Dow Peers



Verizon's TSR during the three-year performance cycle must rank at least 15 th , or at the 58 th percentile, among the Related Dow Peers in order for 100% of the target number of TSR PSUs to vest. Similarly, the maximum number of TSR PSUs (200% of target) will vest only if Verizon's TSR during the three-year performance cycle ranks among the top four companies in the Related Dow Peers, which corresponds to the 91 st percentile or higher If Verizon's TSR during the three-year performance cycle ranks below 25 th , or below approximately the 27 th percentile of the companies in the Related Dow Peers, none of the TSR PSUs will vest

Free Cash Flow Metric. The percentage of PSUs awarded for the 2013-2015 performance cycle that will vest based on Verizon's cumulative free cash flow (FCF) (referred to as FCF PSUs) will be determined based on the extent to which

Verizon's cumulative FCF over the performance cycle meets or exceeds the cumulative FCF

performance levels that were established by the Committee at the beginning of the performance cycle. FCF is determined by subtracting capital expenditures from cash flow from operations, and is subject to adjustment to eliminate the financial impact of significant transactions, changes in legal or regulatory policy and other extraordinary items.

At the end of the performance cycle, the number of FCF PSUs that will vest, if any, will be determined by comparing the actual performance of the Company against the performance objectives The cumulative FCF target for the 2013-2015 performance cycle was set at a level that the Committee believes may be challenging in light of the economic environment, but attainable. The number of FCF PSUs that will vest will range from 0% if performance is below the threshold cumulative FCF level and up to 200% for performance at or above the maximum cumulative FCF level The number of FCF PSUs that will vest in between threshold and maximum performance levels will be determined by linear interpolation between vesting percentage levels.

2011 PSU Awards Earned in 2013

With respect to the PSUs awarded in 2011, the Committee determined the number of PSUs that vested for a participant based on Verizon's TSR for the 2011-2013 three-year performance cycle relative to the TSRs of the Related Dow Peers as constituted on the date the award was granted The following table shows the percentage of PSUs awarded for the 2011-2013 performance cycle that could vest based on a range of Verizon's relative TSR positioning compared with the companies in the applicable Related Dow Peers

Verizon's Relative TSR Ranking Among the Companies in the Related Dow Peers	Corresponding Relative TSR Percentile Ranking Among the Companies in the Related Dow Peers	Percentage of Awarded PSUs that will Vest
1 – 4	91 st to 100 th	200%
5 – 8	79 th to 88 th	175%
9 – 12	67 th to 76 th	150%
13 – 16	55 th to 64 th	100%
17 – 21	39 th to 52 nd	75%
22 – 25	27 th to 36 th	50%
26 – 34	0 to 24 th	0%

Over the three-year performance cycle ending on December 31, 2013, Verizon's TSR ranked 13 th , or at the 64 th percentile, when compared to the Related Dow Peers. As a result of this achievement, in early 2014 the Committee approved a payment to all participants, including the named executive officers, of 100% of the number of PSUs awarded for the 2011-2013 performance cycle, plus dividend equivalents credited on those PSUs that vested pursuant to the terms of the award As a result, even though the Company achieved performance at the 64 th percentile of the Related Dow Peers, the named executive officers only received the target number of PSUs granted, plus dividend equivalents

Other Elements of the Total Compensation Program

The Company also provides the named executive officers with certain limited personal benefits as generally described below None of the named executive officers is eligible for any tax gross-up payment in connection with any of these benefits, including with respect to the excise tax liability under Internal Revenue Code Section 4999 related to any Section 280G excess parachute payments.

Transportation

The Company provides certain aircraft and ground transportation benefits to enhance the safety and security of certain named executive officers. These transportation benefits, even when classified as a perquisite under applicable SEC rules, also serve business purposes as they frequently enhance the ability of the executive to attend to business matters while in transit Additional information on Company-provided transportation is included in footnote 4 to the Summary Compensation Table on page 45

Executive Life Insurance

The Company offers the named executive officers and other executives the opportunity to participate in an executive life insurance program in lieu of participation in the Company's basic and supplemental life insurance programs The executives who elect to participate in the executive life insurance program own the life insurance policy, and the Company provides an annual cash payment to the executives to defray a portion of the annual premiums Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45

Financial Planning

The Company provides a voluntary Company-sponsored financial planning benefit program for the named executive officers and other executives Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45

Retirement Benefits

In 2006, the Committee determined that guaranteed pay in the form of pension and supplemental executive retirement benefits was not consistent with the Company's pay-for-performance culture. Accordingly, effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and supplemental defined benefit retirement plans These legacy retirement benefits that were previously provided to Verizon's named executive officers are described in more detail under the section titled "Pension Plans" beginning on page 48

During 2013, all of Verizon's named executive officers were eligible to participate in the Company's tax-qualified and nonqualified retirement savings plans These plans are described in the section titled "Defined Contribution Savings Plans" beginning on page 50

Severance and Change In Control Benefits

The Committee believes that maintaining a competitive level of separation benefits is appropriate as part of an overall program designed to attract, retain and motivate the highest quality management team. However, the Committee does not believe that named executive officers should be entitled to receive cash severance benefits merely because a change in control transaction occurs Therefore, the payment of cash severance benefits is triggered only by an actual or constructive termination of employment

The Company was not a party to an employment agreement with any of the named executive officers in 2013 All senior managers of the Company (including each of the named executive officers other than Mr McAdam) are eligible to participate in the Verizon Senior Manager Severance Plan, which provides certain separation benefits to participants whose employment is involuntarily terminated without cause from the Company Mr McAdam is not eligible to participate in the Senior Manager Severance Plan and is not eligible for cash severance benefits upon a termination.

The Senior Manager Severance Plan is generally consistent with the terms and conditions of Verizon's broad-based severance plan that is provided to substantially all of Verizon's management employees other than senior managers Under the Senior Manager Severance Plan, if a participant has been involuntarily terminated without cause or, in the case of a named executive officer, if the independent members of the Board determine that there has been a qualifying separation , the participant is eligible to receive a lump-sum cash separation payment equal to a multiple of his or her base salary and target short-term incentive opportunity, along with continuing medical coverage for the applicable severance period To the extent that a senior manager is eligible for severance benefits under any other arrangement, that person will not be eligible for any duplicative benefits under the severance plan The plan does not provide for any severance benefits based upon a change in control of the Company.

Under the plan, the named executive officers (other than Mr McAdam) are eligible to receive a cash separation payment based on a formula equal to two times the sum of their base salary and target short-term incentive opportunity Other senior manager participants are eligible to receive a cash separation payment based on a formula equal to between 0 75 and two times their base salary and target short-term incentive opportunity depending on their position at the time of their separation from employment In order to be eligible for any severance benefits, participants must execute a release satisfactory to Verizon and agree not to compete or interfere with any Verizon business for a period of one year after their separation from employment.

Consistent with the Committee's belief that named executive officers should not be entitled to receive cash severance benefits merely because a change in control transaction occurs, the Long-Term Plan does not allow "single trigger" accelerated vesting and payment of outstanding awards in connection with a change in control of Verizon. Under the Long-Term Plan, if, in the twelve months following a change in control the participant's employment is terminated without cause, all then-unvested PSUs will fully vest at the target level performance, all then-unvested RSUs will fully vest and PSUs and RSUs (including accrued dividend equivalents) will become payable on the regularly scheduled payment date after the end of the applicable award cycle

Selected Compensation Policies

Stock Ownership Guidelines

To further align the interests of Verizon's management with those of its shareholders, the Committee has approved guidelines that require each named executive officer and other executives to maintain certain stock ownership levels

- The guidelines require the CEO to maintain share ownership equal to at least seven times his base salary and require the other named executive officers to maintain share ownership equal to at least four times their base salaries.
- Executives are also prohibited from short-selling or engaging in any financial activity where they would benefit from a decline in Verizon's stock price.

In determining whether an executive meets the required ownership level, the calculation includes any shares held by the executive directly or through a broker, shares held through the Verizon tax-qualified savings plan or the Verizon nonqualified savings plan and other deferred compensation plans and arrangements that are valued by reference to Verizon's stock The calculation does not include any unvested PSUs or RSUs Each of the named executive officers is in compliance with the stock ownership guidelines. None of the named executive officers has engaged in any pledging transaction with respect to shares of Verizon's stock

Recovery of Incentive Payments

The Committee believes that it is appropriate that the Company's compensation plans and agreements provide for the termination or repayment of certain incentive awards and payments if an executive engages in certain fraudulent or other inappropriate conduct. Accordingly, the Committee has adopted a policy that enables the Company to claw back and cancel certain incentive payments received by an executive who has engaged in financial misconduct The Committee reviews this policy from time to time and will refine the current policy to take into account changes in applicable law, including, for example, any changes that may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Shareholder Approval of Certain Severance Arrangements

The Committee has a policy of seeking shareholder approval or ratification of any new employment agreement or severance agreement with an executive officer that provides for a total cash value severance payment exceeding 2 99 times the sum of the executive's base salary plus Short-Term Plan incentive target opportunity The policy defines severance pay broadly to include payments for any consulting services, payments to secure a non-compete agreement, payments to settle any litigation or claim, payments to offset tax liabilities, payments or benefits that are not generally available to similarly-situated management employees and payments in excess of, or outside, the terms of a Company plan or policy.

Tax and Accounting Considerations

Federal income tax law generally prohibits publicly-held companies from deducting compensation paid to a named executive officer (other than a chief financial officer) that exceeds $1 million during the tax year unless it is based upon attaining pre-established performance measures that are set by the Committee pursuant to a plan approved by the Company's shareholders The Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of the Company and its shareholders including determining when to request shareholder approval of the Verizon incentive plans and when to award compensation that may not qualify for a tax deduction The Committee considered the desirability of tax deductibility for performance-based executive compensation in determining to submit the Long-Term Plan to the shareholders for approval in 2013. Compensation paid to the named executive officers under the Short-Term Plan, as well as the PSUs

awarded under the Long-Term Plan, are generally intended to meet the performance-based exception for deductibility under the tax laws

The Committee also considers the effect of certain accounting rules that apply to the various aspects of the compensation program available to the named executive officers. The Committee reviews potential accounting effects in determining whether its compensation actions are in the best interests of the Company and its shareholders The Committee has been advised by management that the impact of the variable accounting treatment required for long-term incentive awards that are payable in cash (as opposed to fixed accounting treatment for awards that are payable in shares) will depend on future stock performance.

Committee Actions Taken After Fiscal Year 2013

On February 6, 2014, the Committee recommended, and the Board of Directors approved, compensation adjustments for Mr. McAdam, and the Committee approved compensation adjustments for Messrs Mead, Shammo, Stratton and Milch. In making these decisions, the Committee, and in the case of Mr. McAdam, the Board, noted that the changes reflect Verizon's commitment to emphasizing performance-based incentive pay and compensating its executive officers at levels commensurate with Verizon's position in the market. For 2014, Mr. McAdam's target annual long-term incentive opportunity, expressed as a percentage of base salary, was increased from 625% to 750%, and the target annual short-term incentive opportunity for each of the named executive officers other than Mr McAdam, expressed as a percentage of base salary, was increased from 110% to 150%. The base salaries of each of the named executive officers were increased as follows for Mr McAdam, 6 7%, for Mr Mead, 5.6%, for Mr Shammo, 6 5%, for Mr Stratton, 10 3%; and for Mr Milch, 8.2% The base salary adjustments are effective March 2, 2014 No change was made to Mr. McAdam's target annual short-term incentive opportunity, and no change was made to the target annual long-term incentive opportunities for any of the named executive officers other than Mr McAdam.

Compensation Tables

Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards [1] ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation [2] ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($) (h)	All Other Compensation [4] ($) (i)	Total ($) (j)
Lowell C McAdam Chairman and CEO	2013	1,480 769	0	9 375 077	0	4,125,000	64 886	780 874	15,826,606
	2012	1,400,000	0	8,750 055	0	3,150,000	213,468	535,577	14 049,100
	2011	1,400 000	0	18,750,099 [5]	0	2 362 500	127,181	480 719	23,120 499 [5]
Daniel S Mead Executive Vice President and President and CEO – Verizon Wireless	2013	880 769	0	4,725,020	0	1,089 000	199,644	286,634	7,181 067
	2012	794,231	0	4,700,026	0	792,000	388,096	225,253	6,399,606
	2011	725 000	0	3,806,258	0	734,063	175 217	220 103	5 660 641
Francis J Shammo Executive Vice President and CFO	2013	760,577	0	4,068,783	0	937,750	10,475	163,476	5,941,061
	2012	698 077	0	3,675,003	0	693,000	9 004	139,841	5 214,925
	2011	675 000	0	3,543 775	0	683,438	4 499	144 351	5 051 063
John G Stratton Executive Vice President and President – Verizon Enterprise Solutions	2013	715 385	0	3,805 297	0	877,250	37,128	139,433	5,575,493
	2012	673 558	0	3,543,796	0	668,250	31 776	143 629	5 061 009
Randal S Milch Executive Vice President – Public Policy and General Counsel	2013	666,154	0	3,350,006	0	810,700	73 527	129,710	5 030 097
	2012	648,077	0	3,250,026	0	643,500	58,366	125 949	4,725,912
	2011	621 154	0	3,125 042	0	632 813	61,182	126,026	4 566,217

[1] The amounts in this column reflect the grant date fair value of the PSUs and RSUs computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date The grant date fair value of PSUs granted to the named executive officers in the designated year as part of Verizon's annual long-term incentive award program and, in the case of Mr McAdam, the special PSU award granted in 2011 in connection with his appointment to CEO, has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believed was most likely to be achieved under the grants on the grant date The following table reflects the grant date fair value of these PSUs, as well as the maximum grant date fair value of these awards based on the closing price of Verizon's common stock on the grant date if, due to the Company's performance during the applicable performance cycle, the PSUs vested at their maximum level

	Grant Date Fair Value of PSUs				Maximum Value of PSUs			
Name	2011 ($)	2011 Special Award ($)	2012 ($)	2013 ($)	2011 ($)	2011 Special Award ($)	2012 ($)	2013 ($)
Mr McAdam	5 250,034	7 000 031	5 250 033	5,625 037	10,500,068	14,000,062	10,500,066	11,250 074
Mr Mead	2 283 755	NA	2 520 008	2 835 012	4 567,510	NA	5 040 016	5 670,024
Mr Shammo	2 126 265	NA	2 205 002	2 441,260	4 252,530	NA	4 410 004	4 882 520
Mr Stratton	NA	NA	2 126 270	2 283 759	NA	NA	4 252 540	4 567,518
Mr Milch	1 875 025	NA	1 950 012	2 010 004	3 750 050	NA	3 900 024	4 020,008

[2] The amounts in this column for 2013 reflect the 2013 Short-Term Plan award paid to the named executive officers in February 2014 as described on pages 34-37

[3] The amounts in this column for 2013 reflect the above-market earnings on amounts held in nonqualified deferred compensation plans. Messrs Shammo and Stratton are not eligible for pension benefits. For Messrs McAdam, Mead and Milch, for 2013 there was a reduction in pension value of $233,803, $48,231 and $13,162, respectively, based on the applicable calculation formula In accordance with SEC rules, because the aggregate change in the actuarial present value of the accumulated benefit under the defined benefit plans was a negative number for 2013, the amounts shown in this column for 2013 for Messrs. McAdam, Mead and Milch reflect above-market earnings only. Verizon's defined benefit plans were frozen as of June 30, 2006, and Verizon stopped all future benefit accruals under these plans as of that date All accruals under the Verizon Wireless pension plan were frozen as of December 31, 2006

[4] The following table provides the detail for 2013 compensation reported in the "All Other Compensation" column

Name	Personal Use of Company Aircraft [a] ($)	Personal Use of Company Vehicle [b] ($)	Company Contributions to the Qualified Savings Plan ($)	Company Contributions to the Nonqualified Deferral Plan ($)	Company Contributions to the Life Insurance Benefit [c] ($)	Other [d] ($)	All Other Compensation Total ($)
Mr McAdam	120,304	4,293	19,050	315 233	168,253	153,741	780 874
Mr Mead	0	0	19,050	104 241	144 444	18 899	286 634
Mr Shammo	14,462	0	14 712	92 637	31 665	10,000	163,476
Mr Stratton	0	0	19,050	83,184	27,199	10 000	139,433
Mr Milch	0	0	19,050	78,742	21,918	10,000	129,710

[a] The aggregate incremental cost of the personal use of a Company aircraft is determined by multiplying the total 2013 personal flight hours by the incremental aircraft cost per hour The incremental aircraft cost per hour is derived by adding the annual aircraft maintenance costs, fuel costs, aircraft trip expenses and crew trip expenses, and then dividing by the total annual flight hours

[b] The aggregate incremental cost of the personal use of a Company vehicle is determined by (i) calculating the incremental vehicle cost per mile by dividing the annual lease and fuel costs by the total annual miles, (ii) multiplying the total 2013 personal miles by the incremental vehicle cost per mile, and (iii) adding the incremental driver cost (the 2013 driver hours for personal use multiplied by the driver's hourly rate)

[c] Executive life insurance is available to executives on a voluntary basis. Executives who choose to participate in this program are excluded from the basic and supplemental life insurance programs that Verizon provides to management employees. The executive owns the insurance policy and is responsible for paying the premiums However, Verizon pays each executive an amount, which is shown in this column, that is equal to a portion of the premium Executives who choose not to participate in the executive life insurance plan do not receive that payment. For all named executive officers the executive life insurance policy provides a death benefit equal to two times the sum of the executive's base salary plus his short-term incentive opportunity at 67% of target level if the executive dies before a designated date. For Messrs McAdam, Mead, Shammo and Stratton, this date is the latest of the participant's retirement date, the date on which the participant reaches age 60 or the fifth anniversary of plan participation For Mr. Milch, this date is the earlier of five years post-retirement or the date on which he reaches age 65.

[d] This column represents the total amount of other perquisites and personal benefits provided These other benefits consist of (i) for Mr McAdam, non-recurring expenses for home security, (ii) for Mr Mead, financial planning services and personal travel, and (iii) for Messrs Shammo, Stratton and Milch, financial planning services The Company provides each of the named executive officers who elect to participate in the financial planning program with a financial planning benefit equal to the Company's payment for the services, up to $10,000 The aggregate incremental cost of personal travel for Mr Mead is equal to the direct expense related to his spouse's attendance at a business event at the request of the Company. These expenses include lodging, ground transportation, meals and other travel-related items.

[5] As described in footnote 1, this amount includes the grant date fair value of the special equity award granted to Mr McAdam in 2011 in connection with his appointment to CEO, with 70% of the award opportunity in the form of PSUs and 30% in the form of RSUs, which may become payable after the completion of the five-year performance cycle ending July 31, 2016, provided that Mr. McAdam remains continuously employed, subject to the terms of the award agreements The number of PSUs that will vest at the end of the five-year performance cycle will be determined based on Verizon's average annual ROE during the performance cycle, and to the extent the performance criteria is achieved, the final award will include dividend equivalents that accrue on the vested portion of the award. No PSUs will vest unless Verizon's average annual ROE meets the minimum threshold of 10% If Verizon's average annual ROE meets the target percentage of 15%, 100% of the nominal number of the PSUs granted will vest. A maximum of two times the nominal number of PSUs granted will vest if Verizon's average annual ROE is at least 20% If Verizon's average annual ROE during the five-year performance cycle is greater than 10% but less than 15%, or is greater than 15% but less than 20%, the Committee will determine the extent to which the PSUs will vest, provided that the vested percentage must be between 50% and 100% and between 100% and 200%, respectively The award will be settled in shares of Verizon common stock, and Mr McAdam will be required to hold any shares he receives for at least two years following the vesting date unless he dies or becomes disabled.

Plan-Based Awards

The following table provides information about the 2013 awards granted under the Short-Term Plan and the Long-Term Plan to each named executive officer.

Grants of Plan-Based Awards

Name (a)	Type of Award [1]	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards [2] Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Estimated Future Payouts Under Equity Incentive Plan Awards [3] Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards Number of Shares of Stock or Units [4] (#) (i)	All Other Option Awards Number of Securities Underlying Options (#) (j)	Exercise or Base Price of Option Awards ($/Sh) (k)	Grant Date Fair Value of Stock and Option Awards [5] ($) (l)
Mr McAdam	STIP	—	1 875 000	3 750,000	5,625,000							
	PSU	3/8/2013				37 532	117,286	234,572				5,625,037
	RSU	3/8/2013							78 191			3 750 040
Mr Mead	STIP	—	495 000	990,000	1,485,000							
	PSU	3/8/2013				18 916	59 112	118 224				2 835,012
	RSU	3/8/2013							39,408			1,890 008
Mr Shammo	STIP	—	426 250	852,500	1,278,750							
	PSU	3/8/2013				16,289	50,902	101 804				2 441,260
	RSU	3/8/2013							33 935			1,627,523
Mr Stratton	STIP	—	398,750	797,500	1,196,250							
	PSU	3/8/2013				15 238	47,618	95,236				2 283,759
	RSU	3/8/2013							31,746			1,522 538
Mr Milch	STIP	—	368 500	737 000	1,105,500							
	PSU	3/8/2013				13 411	41 910	83 820				2 010 004
	RSU	3/8/2013							27,940			1,340 002

[1] These awards are described in the Compensation Discussion and Analysis on pages 34-39.

[2] The actual amount awarded in 2013 was paid in February 2014 and is shown in column (g) of the Summary Compensation Table on page 44.

[3] These columns reflect the potential payout range of PSU awards granted in 2013 to our named executive officers in accordance with the Company's annual long-term incentive award program, as described on pages 38-40 At the conclusion of the three-year performance cycle, payouts can range from 0% to 200% of the target number of units awarded based on Verizon's relative TSR position as compared with the Related Dow Peers and Verizon's cumulative free cash flow over the three-year performance cycle as described in more detail on pages 38-40 PSUs and the applicable dividend equivalents are paid only and to the extent that the applicable performance criteria for the award are achieved at the end of the award cycle When dividends are distributed to shareholders, dividend equivalents are credited on the PSU awards in an amount equal to the dollar amount of dividends on the total number of PSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date

[4] This column reflects the RSU awards granted in 2013 to the named executive officers in accordance with the Company's annual long-term incentive award program When dividends are distributed to shareholders, dividend equivalents are credited on the RSU awards in an amount equal to the dollar amount of dividends on the total number of RSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date

[5] This column reflects the grant date fair value of each equity award computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date. For PSUs, the grant date fair value has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believes is the most likely to be achieved under the grants.

Outstanding Equity Awards at Fiscal Year-End

Name (a)	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Awards: Equity Incentive Plan Awards Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Awards: Option Exercise Price ($) (e)	Option Awards: Option Expiration Date (f)	Stock Awards: Number of Shares or Units of Stock That Have Not Vested [1] (#) (g)	Stock Awards: Market Value of Shares or Units of Stock That Have Not Vested [2] ($) (h)	Stock Awards: Equity Incentive Plan Awards Number of Unearned Shares Units or Other Rights That Have Not Vested [3] (#) (i)	Stock Awards: Equity Incentive Plan Awards Market or Payout Value of Unearned Shares Units or Other Rights That Have Not Vested [4] ($) (j)	Grant Date
Mr McAdam	0	0	0	0	0	92 739	4 557 194	432 779	21 266 760	8/1/2011
						97 711	4,801 519	174 414	8,570 704	3/2/2012
						80 610	3 961,175	94 313	4 634 541	3/8/2013
Mr Mead	0	0	0	0	0	46 902	2 304 764	83 719	4 113 952	3/2/2012
						40 627	1 996 411	47 534	2 335 821	3/8/2013
Mr Shammo	0	0	0	0	0	41 038	2 016 607	73 254	3 599 702	3/2/2012
						34 585	1 719 163	40 932	2 011 358	3/8/2013
Mr Stratton	0	0	0	0	0	38 573	1 944,617	70 638	3 471 151	3/2/2012
						32 728	1 608 254	38 291	1 881 620	3/8/2013
Mr Milch	0	0	0	0	0	36 293	1 783 438	64 762	3 183 387	3/2/2012
						28 804	1 415 429	33 701	1 656 067	3/8/2013

[1] The annual 2012 and 2013 RSU awards vest on December 31, 2014 and December 31, 2015, respectively Mr. McAdam's 2011 special RSU award vests on July 31, 2016 RSUs accrue quarterly dividends that are reinvested into the participant's account as additional RSUs and will be included in the final RSU payment if the awards vest. This column includes dividend equivalent units that have accrued through December 31, 2013.

[2] This column represents the value of the RSU awards listed in column (g) based on a share price of $49.14, the closing price of Verizon's common stock on December 31, 2013.

[3] The annual 2012 and 2013 PSU awards vest on December 31, 2014 and December 31, 2015, respectively Mr McAdam's 2011 special PSU award vests on July 31, 2016. PSUs accrue quarterly dividends that are reinvested into the participant's account as additional PSUs. PSUs and the applicable dividend equivalents are paid if and to the extent that the applicable PSU award vests. As required by SEC rules, the number of units in this column represents the 2012 PSU awards at a 119% vesting percentage, the 2013 PSU awards at a 78% vesting percentage, and Mr. McAdam's 2011 special PSU Award at a 200% vesting percentage, in each case including accrued dividend equivalents through December 31, 2013 that will be paid to the executives if the awards vest at the indicated levels.

[4] This column represents the value of the PSU awards listed in column (i) based on a share price of $49 14, the closing price of Verizon's common stock on December 31, 2013

Value Realized from Stock Options and Certain Stock-Based Awards

The following table reports the value realized from the vesting of the following stock-based awards for the named executive officers.

- 2011 PSUs that vested on December 31, 2013, and
- 2011 RSUs that vested on December 31, 2013

The following table also reports the number of partnership value appreciation rights ("VARs") Mr McAdam exercised in 2013, which were granted to Mr. McAdam on March 31, 2004, by Verizon Wireless, his employer on that date. Mr McAdam exercised his VARs in December 2013 in connection with the impending expiration date of the 10 year term of the award and the expiration of the VAR program on March 31, 2014

In 2014, based on the Company's relative TSR as compared with the Related Dow Peers, the Committee approved a vested percentage of 100% of the target number of PSU awards granted for the 2011-2013 performance cycle for all participants, including the named executive officers The values of the 2011 PSU awards upon vesting for Mr. McAdam, Mr Mead, Mr. Shammo, Mr Stratton and Mr Milch were $8,165,769, $3,552,093, $3,307,139, $2,799,689, and $2,916,366, respectively, and the value of the 2011 RSUs upon vesting for Mr McAdam, Mr. Mead, Mr Shammo, Mr. Stratton and Mr Milch were $5,443,827, $2,368,062, $2,204,759, $1,866,497 and $1,944,244, respectively.

Option Exercises and Stock Vested

Name (a)	Option Awards: Number of Shares Acquired on Exercise [1] (#) (b)	Option Awards: Value Realized on Exercise [1] ($) (c)	Stock Awards: Number of Shares Acquired on Vesting [2] (#) (d)	Stock Awards: Value Realized on Vesting [2, 3] ($) (e)
Mr McAdam	420 863	20,820,093	276,956	13,609,596
Mr Mead	0	0	120,475	5,920,155
Mr Shammo	0	0	112,167	5,511,898
Mr Stratton	0	0	94,957	4,666,186
Mr Milch	0	0	98,914	4 860,610

[1] The option awards listed for Mr McAdam represent VARs granted on March 31, 2004, by Verizon Wireless, his employer on that date The value realized on exercise represents the difference between $63 36, the value of the corresponding Verizon Wireless partnership rights on the date the rights were exercised, and $13 89, the exercise price for such rights. The value of the Verizon Wireless partnership rights was determined by an independent third party valuation in November 2013, in accordance with the terms of the VARs and consistent with past practice

[2] The amounts include dividend equivalents that were credited on the PSU and RSU awards that vested on December 31, 2013 in accordance with the terms of the awards The amounts in this column represent the number of shares acquired on vesting multiplied by $49 14, the closing price of Verizon's common stock on December 31, 2013

[3] The amounts in this column include $2,960,078 for Mr Mead and $466,619 for Mr Stratton that were deferred under the Verizon Executive Deferral Plan in 2014 when the amounts would have otherwise been paid

Pension Plans

Effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and nonqualified defined benefit pension plans. All accruals under the Verizon Wireless defined benefit retirement plan (tax-qualified and nonqualified) were frozen as of December 31, 2006 Each of the named executive officers other than Messrs Shammo and Stratton is eligible for a frozen pension benefit

Verizon Management Pension Plan and Verizon Excess Pension Plan The Verizon Management Pension Plan is a tax-qualified defined benefit pension plan and the Verizon Excess Pension Plan is a nonqualified defined benefit pension plan. Messrs. Mead and Milch are eligible for benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan. Mr. McAdam is not eligible for benefits under either of these plans because he was employed by Verizon Wireless prior to January 1, 2007 Under the Verizon Management Pension Plan and the Verizon Excess Pension Plan, the normal retirement age is age 65 with at least 5 years of service and the early retirement age for unreduced benefits is age 55 with 15 or more years of service, and total age plus years of service equal to at least 75 Messrs Mead and Milch are eligible for early retirement benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan. For Messrs. Mead and Milch, their benefit under the Verizon Excess Pension Plan is based on the cash balance formula noted below, and each of them is vested in the benefit.

Until June 30, 2006, Mr. Milch earned pension benefits under a cash balance formula that provided for retirement pay credits equal to between four and seven percent (depending on age and service) of annual eligible pay for each year of service. Under the cash balance formula, a participant's account balance is also credited with monthly interest based upon the prevailing market yields on certain U S Treasury obligations. Eligible pay under the Verizon Management Pension Plan consisted of the employee's base salary and the short-term incentive award, up to the IRS qualified plan compensation limit. Pension benefits for all eligible pay in excess of the IRS limit were provided under the Verizon Excess Pension Plan based on the cash balance formula At the time that the tax-qualified and nonqualified pension plans were frozen to future pension accruals on June 30, 2006, plan participants were provided with a one-time additional 18 months of benefits as a transition matter.

As a former employee of GTE Wireless Incorporated, Mr. Mead earned a pension benefit under the Verizon Management Pension Plan based on the better of two highest average pay formulas The first formula was based

on 1.35% of his average annual eligible pay for the five highest consecutive eligible years of service. The second formula was based on eligible pay for the five highest consecutive eligible years of service and was integrated with social security, with a 1.15% accrual for eligible pay under the social security integration level and a 1.45% accrual above the social security integration level. Both of these formulas were discontinued on May 31, 2004 for former GTE Wireless Incorporated employees employed by Verizon Wireless, and Mr. Mead ceased to accrue a pension under those formulas on May 31, 2004. Effective October 23, 2005, Mr. Mead transferred from Verizon Wireless to Verizon, and he started to again earn a pension under the better of (i) the 1.35% highest average pay formula or (ii) the cash balance formula. Mr. Mead's service with Verizon Wireless from June 1, 2004 through October 22, 2005 was excluded from any pension calculation. As noted above, accruals under the 1.35% highest average pay formula and cash balance formula were frozen effective June 30, 2006.

At the time of Mr. Mead's transfer from Verizon Wireless to Verizon effective October 23, 2005, the value of his nonqualified benefit was determined as a lump sum, and a nonqualified cash balance account was created under the Verizon Excess Pension Plan using this value as the opening balance as of November 1, 2005. Mr. Mead earned retirement pay credits equal to 7% (based on age and eligible service) of annual eligible pay in excess of the pay cap for each year of service after October 23, 2005, including monthly interest credits. As noted above, accruals under the nonqualified cash balance formula were frozen effective June 30, 2006.

Verizon Wireless Retirement Plan — In 2001, Verizon Wireless consolidated the pension plans of several predecessor companies under the Verizon Wireless Retirement Plan. Mr. McAdam is entitled to both a tax-qualified and a nonqualified pension benefit under this plan. Mr. McAdam's tax-qualified pension benefit was determined under two formulas: (i) for the period from January 1, 2001 until May 31, 2004, a cash balance formula that provided pay credits equal to two percent of annual eligible pay up to the IRS compensation limit (under the cash balance formula, a participant's account balance is also credited on an ongoing basis with interest credits based upon the 30-year Treasury bond), and (ii) a final average pay formula based on 24 years of service multiplied by 1.45% of Mr. McAdam's average annual eligible pay for the five final consecutive years for each year of service through the end of 2006. The normal retirement age under the Verizon Wireless Retirement Plan is 65. The early retirement age (for unreduced benefits) under the plan is 55. Mr. McAdam is eligible for unreduced early retirement benefits under the plan. Mr. McAdam's nonqualified plan benefit was determined using the 1.45% final average pay formula and was calculated based on 10 years of service and only included his eligible pay in excess of the IRS compensation limit through the end of 2006, at which time no further adjustments to eligible pay were recognized under the plan. For Mr. McAdam, eligible pay consisted of base salary and the short-term incentive award. No participant under the plan was eligible for cash balance credits under the nonqualified portion of the plan.

The following table illustrates the actuarial present value as of December 31, 2013 of pension benefits accumulated by the named executive officers, other than Messrs. Shammo and Stratton who are not eligible for pension benefits.

Pension Benefits

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit [1] ($) (d)	Payments During Last Fiscal Year ($) (e)
Mr. McAdam	Verizon Wireless Retirement Plan - Qualified	30	1,082,237	0
	Verizon Wireless Retirement Plan - Nonqualified	10 [2]	1,630,091	0
Mr. Mead	Verizon Management Pension Plan	35	1,260,100	0
	Verizon Excess Pension Plan	8 [2]	3,427,986	0
Mr. Milch	Verizon Management Pension Plan	20	167,319	0
	Verizon Excess Pension Plan	9 [2]	102,526	0

[1] The values are based on the assumptions for the actuarial determination of pension benefits as required by the relevant accounting standards as described in note 11 to the Company's consolidated financial statements for the year ended December 31, 2013, as included in the Company's 2013 Annual Report to Shareowners. However, in accordance with the requirements for this table, the values are calculated using the executive's retirement at the

earliest age at which he can retire without having the retirement benefit reduced under the plan. For Mr. McAdam, the assumptions are generally the same as described above.

[2] The years of credited service for each of Messrs. McAdam, Mead and Milch with respect to the applicable plan is less than the named executive officer's number of actual years of service with the Company. For Mr. McAdam, the 10 years of credited service represents the period over which he earned a benefit in the nonqualified portion of the Verizon Wireless Pension Plan. For Mr. Mead and Mr. Milch, the 8 and 9 years of credited service represent the periods over which they earned a benefit in the Verizon Excess Pension Plan, respectively.

Defined Contribution Savings Plans

The named executive officers are participants in the Company's tax-qualified defined contribution savings plan, the Verizon Management Savings Plan, which is referred to as the Savings Plan, and its nonqualified defined contribution savings plan, the Verizon Executive Deferral Plan, which is referred to as the Deferral Plan. The named executive officers participate in these plans on the same terms as other participants in these plans.

Under the terms of the Savings Plan, participants are eligible to defer up to 16% of their eligible pay into the Savings Plan up to the IRS qualified plan compensation limit. Verizon provides a matching contribution equal to 100% of the first 6% of eligible pay that any participant contributes to the Savings Plan. Under the Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit, short-term incentive compensation and long-term incentive compensation. Verizon provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the Deferral Plan. Deferrals of long-term incentive compensation, such as PSUs and RSUs, are not eligible for Company matching contributions. Participants in the Savings Plan and the Deferral Plan are eligible for an additional discretionary profit-sharing contribution of up to 3% of eligible pay, in the case of the Savings Plan, and eligible deferrals, in the case of the Deferral Plan. In determining whether to make a profit-sharing contribution, the Committee uses the same criteria it uses to determine the short-term incentive award paid to employees at the corporate level. For 2013, the discretionary contribution was 3.0%.

Messrs. McAdam, Mead, Shammo and Stratton were participants in the Verizon Wireless Executive Deferral Plan while they were employed at Verizon Wireless. Under the Verizon Wireless Executive Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit and short-term incentive compensation. Verizon Wireless provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the plan. Participants are eligible for an additional discretionary profit-sharing contribution to the Verizon Wireless Executive Deferral Plan of up to 3% of eligible pay and eligible deferrals. In determining whether to make a profit-sharing contribution, the Verizon Wireless Human Resources Committee uses the same criteria used to determine the short-term incentive award paid to employees at the corporate level.

Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may elect to invest their deferrals in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to all plan participants under the Savings Plan. Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may generally elect to receive their benefits in a lump sum or installments, commencing on a separation from service or specific date elected by the participant.

Messrs. Mead and Milch also have account balances under the Income Deferral Plan (referred to as the IDP). The IDP is a nonqualified deferred compensation plan that was the predecessor to the Deferral Plan. The IDP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the IDP no longer accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the plan. Participants in the IDP do not receive matching contribution credits or retirement credits under the plan.

Messrs. McAdam, Mead, Shammo and Stratton also have account balances under the Verizon Wireless Executive Savings Plan (referred to as the ESP). The ESP is a nonqualified deferred compensation plan that was the predecessor to the Verizon Wireless Executive Deferral Plan. The ESP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the ESP no longer

accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the ESP. Participants in the ESP do not receive matching contribution credits or retirement credits under the plan.

The following table shows the 2013 account activity for each named executive officer and includes each executive's contributions, Company matching contributions, earnings, withdrawals and distributions and the aggregate balance of his total deferral account as of December 31, 2013.

Nonqualified Deferred Compensation

Name (a)		Executive Contributions in Last FY [1] ($) (b)	Registrant Contributions in Last FY [2] ($) (c)	Aggregate Earnings in Last FY [3] ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE [4] ($) (f)
Mr. McAdam	Verizon Executive Deferral Plan	262,546	315,233	511,477	0	5,416,347
	Verizon Wireless Executive Deferral Plan	0	0	20,004	0	457,760
	Verizon Wireless Executive Savings Plan	0	0	95,122	0	2,176,724
Mr. Mead	Verizon Executive Deferral Plan	4,111,189	104,241	1,066,373	0	16,466,004
	Verizon Income Deferral Plan	0	0	12,648	0	289,423
	Verizon Wireless Executive Deferral Plan	0	0	82,594	0	1,890,019
	Verizon Wireless Executive Savings Plan	0	0	84,436	0	1,506,474
Mr. Shammo	Verizon Executive Deferral Plan	71,915	92,637	501,553	0	3,511,396
	Verizon Wireless Executive Deferral Plan	0	0	6,085	0	139,253
	Verizon Wireless Executive Savings Plan	0	0	151,171	0	1,332,465
Mr. Stratton	Verizon Executive Deferral Plan	395,023	83,184	491,071	0	3,674,116
	Verizon Wireless Executive Deferral Plan	0	0	232,975	0	2,250,558
	Verizon Wireless Executive Savings Plan	0	0	394,201	0	3,601,454
Mr. Milch	Verizon Executive Deferral Plan	833,250	78,742	478,497	0	4,514,169
	Verizon Income Deferral Plan	0	0	416,420	0	5,314,501

[1] Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (c) and (j): for Mr. McAdam, $73,546; for Mr. Mead, $156,442; for Mr. Shammo, $30,335; for Mr. Stratton, $161,135; and for Mr. Milch, $24,669.

[2] The amounts listed in this column are also included in columns (i) and (j) of the Summary Compensation Table.

[3] Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (h) and (j): for Mr. McAdam, $64,886; for Mr. Mead, $199,644; for Mr. Shammo, $10,475; for Mr. Stratton, $37,128; and for Mr. Milch, $73,527.

[4] The aggregate amounts shown in columns (e) and (f) include the following amounts that were reported as compensation to the named executive officer in the Summary Compensation Table in previous proxy statements of the registrant:

- For Mr. McAdam, a total of $2,655,543 was reported (2008 to 2013).
- For Mr. Mead, a total of $1,437,873 was reported (2011 to 2013).
- For Mr. Shammo, a total of $479,446 was reported (2011 to 2013).
- For Mr. Stratton, a total of $469,484 was reported (2013); and
- For Mr. Milch, a total of $329,291 was reported (2012 to 2013).

Potential Payments upon Termination or Change in Control

The following summaries and tables describe and quantify the potential payments and benefits that would be provided to each of our named executive officers if a termination of employment or change in control of Verizon had occurred at the end of 2013 under Verizon's compensation plans and agreements.

Payments Made upon Termination

Regardless of the manner in which a named executive officer's employment terminates, the executive is entitled to receive amounts earned during the term of employment. This includes amounts accrued and vested under our

pension plans and nonqualified deferred compensation plans, which are reported in the "Pension Benefits" and "Nonqualified Deferred Compensation" tables above. Those benefits are not included in the summaries and tables below.

In addition, amounts earned under our 2013 Short-Term Plan awards and amounts earned under our 2011 Long-Term Plan awards are not included in the summaries or tables below. Amounts earned under our 2013 Short-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 34-37 and are reported in the Summary Compensation Table on page 44. Amounts earned under our 2011 Long-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 38-40 and are reported in the Option Exercises and Stock Vested table on page 48. If a named executive officer's employment had terminated on December 31, 2013 for any reason other than for cause, the full amount of the 2013 Short-Term Plan award and the full amount of the 2011 Long-Term Plan awards in each case to the extent earned, would have been payable. These amounts would be determined and payable at the same time as awards are determined and paid to participating employees generally under those plans. In the event of a termination for cause, no amount would have been payable under these awards.

Potential Payments upon Qualifying Separation or Involuntary Termination Without Cause

Mr. McAdam — As Chairman and CEO, Mr. McAdam is not eligible to participate in the Senior Manager Severance Plan described below. Mr. McAdam is also not a party to an employment agreement with Verizon or any other agreement that would provide him with cash severance benefits in the event his employment is involuntarily terminated by Verizon without cause.

Senior Manager Severance Plan — Verizon provides severance benefits to certain employees, including all of the named executive officers other than the Chairman and CEO, under its Senior Manager Severance Plan. Under the plan, a named executive officer is eligible to receive severance benefits if he experiences a "qualifying separation" from Verizon, which is generally defined as an involuntary termination by Verizon without cause, a voluntary termination by the executive solely due to the executive's refusal to accept a qualifying reclassification or relocation (as those terms are defined in the plan) or a determination by the independent members of the Board that the named executive officer has incurred a qualifying separation. A severance benefit, if triggered, is payable to an executive only if the executive executes a release of claims against Verizon in the form satisfactory to Verizon and agrees not to compete or interfere with any Verizon business for a period of one year after termination from employment and always to protect Verizon's trade secrets and proprietary information.

If a named executive officer incurs a qualifying separation under the plan, he is eligible to receive the following benefits: (i) a lump-sum cash separation payment equal to two times the sum of his base salary and target short-term incentive opportunity, and (ii) continued medical, dental and vision coverage for two years.

In addition, if the executive's qualifying separation occurs prior to the last day of the year, the executive will receive a prorated Short-Term Plan award for the year in which the termination occurs, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are payable to participating employees generally under the plan. To the extent that an executive also becomes eligible for severance benefits under any outstanding agreement, plan or any other arrangement, the executive's cash severance payment under the Senior Manager Severance Plan will be reduced on a dollar-for-dollar basis by the amount or single-sum value of the severance benefits payable to the executive under such other agreement, plan or arrangement.

Other Benefits — Upon an involuntary termination of employment without cause, a named executive officer would also be eligible to receive financial planning and outplacement services for one year following termination on the same basis as provided to other senior executives. However, executives will only be entitled to receive financial planning services if they participate in the program in the year in which their employment terminates. Mr. McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013. In addition, under the terms of the executive life insurance plan, each named executive officer who is retirement eligible upon termination and who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs. McAdam, Mead, Shammo and Stratton, the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement, or (ii) in the case of Mr. Milch, the later of the executive's attainment of age 65 or 15 years of plan participation. Retirement eligibility is generally defined as

having attained 75 points (age plus years of service) with at least 15 years of service. As of December 31, 2013, Mr. Mead had attained plan maturity and would not have been entitled to receive any additional payments from Verizon with respect to this benefit if his employment had terminated on the last business day of 2013.

Estimated Payments The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment been involuntarily terminated without cause or terminated for good reason on the last business day of 2013 and had incurred a qualifying separation under the Senior Manager Severance Plan

Name	Cash Separation Payment ($)	Continued Health Benefits [1] ($)	Outplacement Services ($)	Financial Planning [2] ($)	Executive Life Insurance Benefit [3] ($)
Mr. McAdam	0	0	0	0	163,157
Mr. Mead	3,780,000	24,700	14,500	10,000	0
Mr. Shammo	3,255,000	37,057	14,500	10,000	182,534
Mr. Stratton	3,045,000	37,057	14,500	10,000	181,859
Mr. Milch	2,814,000	37,057	14,500	10,000	134,853

[1] The amounts reflect Verizon's estimated cost of providing medical, dental and vision coverage for two years

[2] Mr. McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013

[3] If Mr. Mead had retired on December 31, 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date.

Potential Payments upon Death, Disability or Retirement

Under the terms of the executive life insurance plan, in the event of disability or a qualifying retirement, a named executive officer who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs. McAdam, Mead, Shammo and Stratton, the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement, or (ii) in the case of Mr. Milch, the later of the executive's attainment of age 65 or 15 years of plan participation. If the named executive officer dies, his beneficiary would be entitled to receive the proceeds of the life insurance policy owned by the executive, payable by the third-party issuer of the policy. As of December 31, 2013, Mr. Mead had attained plan maturity and was no longer eligible to receive any additional payments from Verizon with respect to this benefit if his employment had terminated on the last business day of 2013

Under the Short-Term Plan, if the named executive officer's employment terminates due to death, disability or a qualifying retirement prior to the last day of the year, the executive would be eligible for a prorated Short-Term Plan award for the year in which the termination date occurred, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are generally payable to participating employees under the plan. As described above, if the executive's employment terminates on the last day of the year for any reason other than for cause, the full amount of the Short-Term Plan award, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year, would have been payable

In addition, upon death, disability or a qualifying retirement, each named executive officer would also be eligible to receive financial planning services for one year following termination on the same basis as provided to other senior executives, provided that they participated in the program in the year in which their employment terminates. Upon disability, the named executive officers would also be eligible for disability benefits under the tax-qualified and nonqualified disability plans.

Estimated Payments . The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment terminated due to death, disability or qualifying retirement on the last business day of 2013.

Name	Executive Life Insurance Benefit [1] ($)	Disability Benefit [2] ($)	Financial Planning [3] ($)
Mr. McAdam			
Death	8,026,000	0	0
Disability	163,157	1,333,661	0
Retirement	163,157	0	0
Mr. Mead			
Death	1,800,000	0	10,000
Disability	0	1,228,443	10,000
Retirement	0	0	10,000
Mr. Shammo			
Death	2,694,000	0	10,000
Disability	182,534	420,677	10,000
Retirement	182,534	0	10,000
Mr. Stratton			
Death	2,520,000	0	10,000
Disability	181,859	423,793	10,000
Retirement [4]	0	0	0
Mr. Milch			
Death	2,328,000	0	10,000
Disability	134,853	1,768,505	10,000
Retirement	134,853	0	10,000

[1] In the event of death, the amount represents the proceeds from the life insurance policy owned by the named executive officer, payable from the third-party issuer of the policy. In the event of disability or retirement, the amount, if any, represents the total amount of annual payments to the named executive officer to pay a portion of the annual premium of the life insurance policy owned by him, provided that the named executive officer continues to pay the annual premiums pursuant to the terms of the executive life insurance program. If Mr. Mead had retired on December 31, 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date

[2] Assumes that each named executive officer would be immediately eligible for long-term disability benefits from Verizon's qualified and nonqualified disability benefit plans. Messrs. Shammo and Stratton do not participate in the nonqualified portion of the disability benefit. The assumptions used to calculate the value of the disability benefits include a discount rate of 5.0% and mortality and recovery based on the 1987 National Association of Insurance Commissioners Group Disability Table. These rates represent the probability of death or recovery between the date of disability and the payment end date. The qualified portion of the disability benefit for Messrs. McAdam, Mead, Shammo, Stratton and Milch is estimated at $445,974, $410,789, $420,677, $423,793 and $591,385, respectively, and the nonqualified portion of the disability benefit for Messrs. McAdam, Mead and Milch is estimated at $887,687, $817,654, and $1,177,120, respectively. In order to receive the nonqualified portion of the disability benefit, the executive must pay the premium associated with the qualified portion of the benefit

[3] Mr. McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013.

[4] Mr. Stratton would not have been entitled to receive executive life insurance benefits or financial planning benefits because he had not fulfilled the eligibility requirements for retirement under the terms of those programs on the last business day of 2013

Potential Payments upon Change in Control

Verizon does not maintain any plans or arrangements that provide for any named executive officer to receive cash severance or any other cash payments in connection with a change in control of Verizon. If the named executive officer's employment terminates in connection with or following a change in control, he would be eligible for the same benefits, if any, that would become payable to the executive upon his termination under the circumstances as described above. Under the Short-Term Plan, if a change in control occurs, all outstanding awards will vest and become payable on the regularly scheduled payment date

Equity Awards

As is the case for all participants under the terms of the Long-Term Plan and the applicable award agreements, upon an involuntary termination of employment without cause, death, disability or qualifying retirement, each named executive officer's then unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and each named executive officer's then unvested PSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle, but only if and to the extent that the applicable performance criteria for the award are achieved at the end of the applicable award cycle. However, Mr. McAdam's special PSU and RSU awards granted in 2011 will be forfeited if Mr. McAdam retires prior to July 31, 2016. Under the Long-Term Plan, a qualifying retirement generally means to retire after having attained at least 15 years of vesting service (as defined under the applicable Verizon tax-qualified savings plan) and a combination of age and years of vesting service that equals or exceeds 75 points. As of December 31, 2013, Messrs. McAdam, Mead, Shammo and Milch were retirement-eligible under the Long-Term Plan.

In addition, under the terms of the Long-Term Plan and the applicable award agreements, if, in the 12 months following a change in control of Verizon, a participant's employment is involuntarily terminated without cause, all then-unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and all then-unvested PSUs will vest at target level performance and be paid on the regularly scheduled payment date after the end of the applicable award cycle

Under the Long-Term Plan, a change in control of Verizon is generally defined as the occurrence of any of the following

- Any person becomes a beneficial owner of shares representing twenty percent or more of Verizon's outstanding voting stock,
- Verizon consummates a merger, consolidation, reorganization or any other business combination, or
- The Board adopts resolutions authorizing the liquidation or dissolution, or sale of all or substantially all of the assets, of Verizon

However, a change in control will not occur if

- The amount of Verizon voting stock outstanding immediately before the transaction represents at least forty-five percent of the combined voting power of the corporation that survives the transaction,
- Verizon Directors constitute at least one-half of the board of directors of the surviving corporation,
- Verizon's CEO is the CEO of the surviving corporation, and
- The headquarters of the surviving corporation is located in New York, New York

Estimated Payments The following table shows the estimated value of the payouts that the named executive officers could have received in respect of their outstanding unvested equity awards if any of the following events occurred on the last business day of 2013: (i) a change in control of Verizon without a termination of employment, (ii) a change in control of Verizon and an involuntary termination of employment without cause, and (iii) a termination of employment as a result of an involuntary termination without cause, qualifying retirement, or death or disability. The amounts represent the estimated value of the RSU and PSU awards granted in 2012 and 2013, and in addition for Mr. McAdam, his special 2011 PSU and RSU awards, that would have been payable pursuant to the terms of the award agreements, calculated using the total number of units (including accrued dividends) on the last business day of 2013 and $49.14, Verizon's closing stock price on that date, and for the PSUs, assuming the award would vest at target performance levels. The actual amount payable under these awards can be determined only at the time the awards would be paid

Name	Change in Control Without Termination ($)	Change in Control And Termination Without Cause ($)	Termination Without Cause ($)	Retirement [1] ($)	Death or Disability ($)
Mr. McAdam	0	37,097,309	37,097,309	21,906,710	37,097,309
Mr. Mead	0	10,752,913	10,752,913	10,752,913	10,752,913
Mr. Shammo	0	9,339,450	9,339,450	9,339,450	9,339,450
Mr. Stratton	0	8,882,153	8,882,153	0	8,882,153
Mr. Milch	0	7,997,191	7,997,191	7,997,191	7,997,191

[1] Mr. Stratton would not have been entitled to receive any amount in respect of his outstanding unvested equity awards upon retirement because he had not met the eligibility requirements for retirement under the terms of the Long-Term Plan on the last business day of 2013

Non-Employee Director Compensation

In 2013, each non-employee Director of Verizon received an annual cash retainer of $100,000. Any Director who served on the Board for less than the full year received an amount pro-rated to reflect the portion of the year he or she served. The Corporate Governance and Policy and Finance Committee Chairpersons received an additional annual cash retainer of $15,000, the Audit and Human Resources Committee Chairpersons received an additional annual cash retainer of $25,000, and the Presiding Director received an additional annual cash retainer of $10,000. Each Director also received an annual grant of Verizon share equivalents valued at $150,000 on the grant date. No meeting fees were paid if a Director attended a Board or Committee meeting on the day before or the day of a regularly scheduled Board meeting. Each Director who attended such a meeting held on any other date received a meeting fee of $2,000

In addition, in 2013, the Board established a committee composed of Mr. Price (Chairperson), Ms. Keeth and Ms. Tesija to assist the Board in responding to a shareholder demand. The Chairperson received a cash retainer of $5,000, and each Committee member received a meeting fee of $2,000 for each of the three meetings held by the Committee during 2013

A new Director who joins the Board receives a one-time grant of 3,000 Verizon share equivalents valued at the closing price on the date that the Director joins the Board

All share equivalents are automatically credited to the Director's deferred compensation account under the Verizon Executive Deferral Plan and invested in a hypothetical Verizon stock fund. Amounts in the deferred compensation account are paid in a lump sum in the year following the year that the Director leaves the Board

Under the Verizon Executive Deferral Plan, Directors may defer all or part of their annual cash retainer and meeting fees. A Director may elect to invest these amounts in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to participants in Verizon's Management Savings Plan

Directors who served as directors of NYNEX Corporation participate in a charitable giving program. Under this program, when a participant retires from the Board or attains age 65 (whichever occurs later) or dies, one or more charitable contributions in the aggregate amount of $1,000,000 are made, payable in ten annual installments. Directors who served as directors of GTE Corporation participate in a similar program for which the aggregate contribution is $1,000,000, payable in five annual installments commencing upon the Director's death. The GTE and NYNEX programs are financed through the purchase of insurance on the life of each participant. The charitable giving programs are closed to future participants. In 2013, the aggregate cost of maintaining and administering the legacy charitable giving programs for all participants was $62,185

The Directors are eligible to participate in the Verizon Foundation Matching Gifts Program. Under this program, which is open to all Verizon employees, the Foundation matches up to $5,000 per year of charitable contributions to accredited colleges and universities, $1,000 per year of charitable contributions to any non-profit with 501(c)(3) status, and $1,000 per year of charitable donations to designated disaster relief campaigns

Director Compensation

Name (a)	Fees Earned or Paid in Cash [1] ($) (b)	Stock Awards [2] ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($) (f)	All Other Compensation [4] ($) (g)	Total ($) (h)
Shellye L. Archambeau	8,333	160,280	0	0	0	0	168,613
Richard L. Carrión*	122,500	150,000	0	0	4,217	0	276,717
Melanie L. Healey	124,000	150,000	0	0	0	5,750	279,750
M. Frances Keeth	134,000	150,000	0	0	0	0	284,000
Robert W. Lane	128,000	150,000	0	0	4,462	0	282,462
Sandra O. Moose*	153,000	150,000	0	0	7,776	5,000	315,776
Joseph Neubauer*	149,000	150,000	0	0	0	0	299,000
Donald T. Nicolaisen*	153,000	150,000	0	0	0	0	303,000
Clarence Otis, Jr.	128,000	150,000	0	0	10,692	0	288,692
Hugh B. Price*	135,000	150,000	0	0	1,471	5,000	291,471
Rodney E. Slater	122,000	150,000	0	0	0	0	272,000
Kathryn A. Tesija	132,000	150,000	0	0	832	0	282,832
Gregory D. Wasson	109,333	265,160	0	0	0	6,000	380,493

* Denotes a Chairperson of a standing or special committee

1 This column includes all fees earned or paid in 2013, whether the fee was paid in 2013 or deferred.

2 For each Director this column reflects the grant date fair value of the Director's 2013 annual stock award computed in accordance with FASB ASC Topic 718. For Ms. Archambeau, this column reflects the grant date fair value of her annual share equivalents award valued at $12,500, which was prorated to reflect the portion of the year that she served on the Board, and includes the one-time grant of 3,000 Verizon share equivalents with the grant date fair value of $147,780 that she received upon her appointment to the Board effective December 1, 2013, in each case based on the closing price of Verizon's common stock on the grant date. For Mr. Wasson, this column reflects the grant date fair value of his annual share equivalents award valued at $125,000, which was prorated to reflect the portion of the year that he served on the Board, and includes the one-time grant of 3,000 Verizon share equivalents with the grant date fair value of $140,160 that he received upon his appointment to the Board effective March 1, 2013, in each case based on the closing price of Verizon's common stock on the grant date. The following reflects the aggregate number of share equivalent awards and the aggregate number of option awards outstanding as of December 31, 2013 for each person who served as a non-employee Director during 2013: Shellye Archambeau, 3,254 and 0; Richard Carrión, 90,366 and 0; Melanie Healey, 11,007 and 0; M. Frances Keeth, 38,399 and 0; Robert Lane, 48,982 and 0; Sandra Moose, 80,085 and 0; Joseph Neubauer, 99,201 and 7,798; Donald Nicolaisen, 45,615 and 0; Clarence Otis, Jr., 44,994 and 0; Hugh Price, 70,160 and 0; Rodney Slater, 20,131 and 0; Kathryn Tesija, 6,646 and 0; and Gregory Wasson, 5,851 and 0.

3 This column reflects above-market earnings on nonqualified deferred compensation plans. Non-employee Directors do not participate in any defined benefit pension plan.

4 This column reflects matching contributions made on the Directors' behalf under the Verizon Foundation Matching Gift Program.

Security Ownership of Certain Beneficial Owners and Management

Principal Shareholders

On March 3, 2014, there were approximately [XX] billion shares of Verizon common stock outstanding and each share is entitled to one vote. The following table sets forth information about persons we know to beneficially own more than five percent of the shares of Verizon common stock, based on our records and information reported in filings with the SEC. To the extent that information in the table is based on information contained in an SEC filing, it is accurate only as of the date referenced in the filing. On February 21, 2014 in connection with the Verizon Wireless transaction, we issued approximately 1.27 billion shares, thereby increasing our outstanding common stock by approximately 45%. As a result, it is possible that shareholders' percentage interest in our outstanding common stock has changed significantly since that date.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock Inc. 40 East 52 nd Street New York, New York 10022	169,544,335	5.9%

* This information is based on a Schedule 13G filed with the SEC on February 10, 2014 by BlackRock Inc., setting forth information as of December 31, 2013. The Schedule 13G states that BlackRock Inc. has sole voting power with respect to 137,363,936 shares and shared voting power with respect to 17,014 shares and sole dispositive power with respect to the 169,527,321 shares and shared dispositive power with respect to 17,014 shares.

Directors and Executive Officers

In the following table, you can find information showing the number of shares of Verizon common stock beneficially owned by each of the named executive officers, each Director and all executive officers and Directors as a group as of January 31, 2014. This information includes shares held in Verizon's employee savings plans and shares that may be acquired within 60 days pursuant to the exercise of stock options and/or the conversion of certain stock units under deferred compensation plans. The aggregate number of shares owned by executive officers and Directors represents less than one percent of the total number of outstanding shares of Verizon common stock. Unless we have indicated otherwise, each individual and/or his or her family member(s) has or have sole or shared voting and/or investment power with respect to the securities. Executive officers and Directors also have interests in other stock-based units under Verizon deferred compensation plans and stock-based long-term incentive awards. We have included these interests in the "Total Stock-based Holdings" column in the table below to show the total economic interest that the executive officers and Directors have in Verizon common stock.

Name	Stock [1]	Total Stock-based Holdings [2]
Named Executive Officers		
Lowell McAdam*	322,191	1,298,685
Daniel Mead	46,164	434,492
Francis Shammo	73,686	410,817
John Stratton	53,197	378,090
Randal Milch	76,131	345,210
Directors.		
Shellye Archambeau	—	3,254
Richard Carrión	4,451	91,626
Melanie Healey	—	11,007
M. Frances Keeth	—	38,399
Robert Lane	—	48,982
Sandra Moose	—	80,085
Joseph Neubauer	24,859	145,348
Donald Nicolaisen	—	45,615
Clarence Otis, Jr.	3,000	47,994
Hugh Price	2,559	70,218
Rodney Slater	—	20,131
Kathryn Tesija	—	6,646
Gregory Wasson	—	5,851
All of the above and other executive officers as a group [3]	811,605	4,734,567

* Mr. McAdam also serves as a Director.

1 In addition to direct and indirect holdings, the "Stock" column includes shares that may be acquired within 60 days pursuant to the conversion of RSUs granted in 2011 as follows: 109,531 shares for Mr. McAdam; 23,823 shares for Mr. Mead, 44,360 shares for Mr. Shammo, 33,779 shares for Mr. Stratton, and 39,119 shares for Mr. Milch. The "Stock" column also includes shares that may be acquired within 60 days pursuant to the conversion of certain stock units under deferred compensation plans as follows: 12,771 shares for Mr. Milch, 3,191 shares for Mr. Carrión, and 2,501 shares for Mr. Price. Prior to conversion, the shares underlying the RSUs and deferred compensation units may not be voted or transferred. No shares are pledged as security.

2 The "Total Stock-based Holdings" column includes, in addition to shares listed in the "Stock" column, stock-based units under deferred compensation plans and stock-based long-term incentive awards, which may not be voted or transferred.

Section 16(a) Beneficial Ownership Reporting Compliance

SEC rules require that we disclose any late filings of stock transaction reports by our executive officers and Directors. Based solely on a review of the reports that we filed on behalf of these individuals or that were otherwise provided to us, our executive officers and Directors met all Section 16(a) filing requirements during calendar year 2013.

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CORPORATE GOVERNANCE GUIDELINES

The Board has adopted these Guidelines and the Committee Charters to provide a framework for the functioning of the Board. The Board will periodically review these materials and practices in light of ongoing developments and the Corporation's needs to determine whether any changes are required

Role of the Board

The business of the Corporation is conducted by management, under the direction of the Board of Directors. The Board, and each committee of the Board, has complete access to management. In addition, the Board and each committee have access to independent advisors as each deems necessary or appropriate.

Strategic Planning and Management Development. At least once a year, the Board conducts a strategic planning session with management. The Board reviews succession planning and management development at least annually. The process includes consideration of organizational needs, competitive challenges, the potential of key managers, planning for future development and emergency situations.

Executive Sessions. The independent Directors of the Board meet at least twice each year in executive session. The non-employee Directors of the Board meet at least three times each year in executive session. Any Director has the right to call a meeting or executive session of the independent Directors or of the non-employee Directors.

In at least one executive session, the Board assesses the process and effectiveness of the Board (including opportunities for continuing education and orientation of new Directors) and considers any other matters that the Directors request. In an executive session of independent Directors, the Board receives the Human Resources Committee's report on the CEO's performance and compensation.

Presiding Director. At or prior to the Annual Meeting of Shareholders, the independent members of the Board of Directors shall elect an independent Director to serve as Presiding Director until the next Annual Meeting, or until his or her successor is elected and qualified. The Presiding Director shall act as liaison with the Chairman, in consultation with the other Directors. In addition, all Directors shall have direct and complete access to the Chairman at any time as they deem necessary or appropriate. The Presiding Director shall chair all executive sessions of the Board and all other meetings of the Board at which the Chairman is not present. The Presiding Director may, in his or her discretion, call a meeting of the Board or an executive session of the Board, and shall call an executive session at the request of any other Director.

The Presiding Director, in consultation with the Chairman, shall review and approve the schedule of meetings of the Board, the proposed agendas and the materials to be sent to the Board. Directors shall have the opportunity to provide suggestions for the meeting schedule, agenda items and materials to the Chairman or the Presiding Director.

Any shareholder or interested party may communicate directly with the Presiding Director:

Verizon Communications Inc.
Presiding Director
Board of Directors
140 West Street, 29 th Floor
New York, New York 10007

Committees. There are three (3) standing committees of the Board: Audit, Corporate Governance and Policy, and Human Resources. The members of the Audit, Corporate Governance and Policy and Human Resources committees will be independent as required by law or regulation. The Board may change the number of committees from time to time.

The responsibilities of each committee are set forth in its charter, which is approved by the Board and posted on the Corporation's website. Each committee Chair approves the agenda and materials for each meeting and reports its actions and discussions to the Board as soon as practicable. At least annually, each committee conducts an assessment of its charter and its processes and effectiveness.

Membership. The Corporate Governance and Policy Committee annually reviews and recommends the members and Chair of each committee for approval by the Board. The Committee periodically considers rotating Chairs and members of the committees.

Meetings. Directors are expected to attend all meetings of the Board and each committee on which they serve. Directors are provided with a copy of the proposed agenda sufficiently in advance of each scheduled meeting in order to have the opportunity to comment on or make changes to the agenda. Directors standing for election are expected to attend the Annual Meeting of Shareholders.

Board Composition and Director Qualifications

The Board will periodically assess the needs of the Corporation to determine the appropriate size of the Board. At all times, a substantial majority of the Board will be independent and not more than two Directors will be current or former employees of Verizon.

Qualifications. A candidate must:

- Be ethical,
- Have proven judgment and competence,
- Have professional skills and experience in dealing with a large, complex organization or in dealing with complex problems that are complementary to the background and experience represented on the Board and that meet the needs of the Corporation,
- Have demonstrated the ability to act independently and be willing to represent the interests of all shareholders and not just those of a particular philosophy or constituency, and
- Be willing and able to devote sufficient time to fulfill his or her responsibilities to Verizon and its shareholders.

In assessing the appropriate composition of the Board, the Corporate Governance and Policy Committee also considers other factors that are relevant to the current needs of the Corporation, including those that promote diversity.

Identification and Consideration of Candidates. The Corporate Governance and Policy Committee considers candidates proposed by members of the Committee, other Directors, management and shareholders. The Committee considers candidates for re-election, provided that the candidate has consented to stand for re-election and tendered an irrevocable resignation to the Chairman of the Committee prior to nomination each year. All candidates are evaluated in the same manner. After the Committee has completed its evaluation, it presents its recommendation to the full Board for its consideration and approval. In presenting its recommendation, the Committee also reports on other candidates who were considered but not selected.

Verizon will conduct an orientation program for each new Director that includes, among other things, a review of the Corporation's business, financial condition, strategy, ethical obligations, key issues and other relevant topics.

Independence. A Director is considered independent if the Board finds that the Director is independent under the corporate governance listing standards of the New York Stock Exchange and the Nasdaq Stock Market. In addition, in evaluating independence, the Board will not consider a Director independent if:

1. Within the past three years, the Director or a Member of the Director's Immediate Family has:
   - Been an employee of Verizon or a Verizon subsidiary ("Verizon");

   - Received during any 12-month period more than $100,000 in direct compensation from Verizon (other than Director's compensation and other than pension or other deferred compensation for prior service with Verizon),
   - Been an executive officer of a company where at the same time a Verizon executive officer or executive in compensation Band 1 (each a "Verizon Senior Executive") served on the company's compensation committee,
2. The Director is retained under a personal or professional services contract by Verizon,
3. The Director is an employee, or a Member of the Director's Immediate Family is an executive officer, of a company that has made payments to, or received payments from, Verizon in an amount that, in any of the past three years, exceeded the greater of $1 million or one percent of that company's consolidated gross revenues,
4. The Director is an executive officer of a lender to Verizon and Verizon's outstanding indebtedness to the lender in any of the past three years exceeded one percent of the lender's outstanding loans at the end of the lender's fiscal year;
5. The Director is an executive officer of a non-profit entity that has received contributions from Verizon or its Foundation that, in any of the past three years, exceeded one percent of that entity's consolidated gross revenues (excluding matching gift contributions by Verizon's Foundation), or
6. The Director has any other relationship that the Board determines is inconsistent with applicable laws and regulations on directors' independence or that is likely to impair the Director's ability to act independently.

For purposes of these Guidelines except as otherwise noted, a Member of a Director's Immediate Family includes his or her spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the Director's home.

An executive officer of a company on whose board a Verizon Senior Executive serves is not eligible for nomination as a new Director of the Corporation.

Related Person Transaction Policy

Definitions. For purposes of this Policy,

"*Related Person*" means:

1. any person who has served as a Director or a Verizon executive officer ("Officer") at any time during the Corporation's last fiscal year;
2. any person whose nomination to become a Director has been presented in a proxy statement relating to the election of Directors since the beginning of the Corporation's last fiscal year;
3. any person who was at any time during the Corporation's last fiscal year an "Immediate Family Member" of any of the persons listed above. Immediate Family Member means spouse, child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Director, Officer or nominee, and any person (other than a tenant or employee) sharing the household of such Director, Officer or nominee, or
4. any person or any Immediate Family Member of such person who is known to the Corporation to be the beneficial owner of more than 5 percent of the Corporation's stock at the time of the Transaction (as defined below).

"*Related Person's Firm*" means any firm, corporation or other entity in which a Related Person is an executive officer or general partner or in which all Related Persons together have a 10 percent or more ownership interest.

"*Transaction*" means any transaction, arrangement or relationship with Verizon since the beginning of the Corporation's last fiscal year in an amount greater than $120,000 that involves or will involve a Related Person or a Related Person's Firm. It does not include:

(a) compensation to a Director or Officer which is or will be disclosed in the Corporation's proxy statement,

(b) compensation to an Officer who is not an Immediate Family Member of a Director or of another Officer and which has been approved by the Human Resources Committee or the Board,
(c) a transaction in which the rates or charges involved are determined by competitive bids, or which involves common, contract carrier or public utility services at rates or charges fixed in conformity with law or governmental authority,
(d) a transaction that involves services as a bank depositary of funds, transfer agent, registrar, indenture trustee, or similar services, or
(e) a transaction in which the Related Person's interest arises solely from the ownership of Verizon stock and all shareholders receive the same benefit on a pro rata basis.

"*Related Person Transaction*" means a Transaction in which a Related Person is determined to have, had, or will have a direct or indirect material interest.

Policy Statement. The Board of Directors recognizes that Related Person Transactions can present potential conflicts of interest (or the perception thereof) and therefore has adopted this policy which shall be followed in connection with all Related Person Transactions involving the Company.

Process. Annually, each Director and Officer shall submit to Verizon the name and employment affiliation of his or her Immediate Family Members and the name of any Related Person's Firm with which any of them are affiliated. Directors and Officers shall notify Verizon promptly of any changes to this information. Each Director and Officer shall also identify any Transaction that they, their Immediate Family Members or their Related Person Firms are or will be involved in. On an ongoing basis, Directors and Officers shall promptly advise the Committee of any changes to such Immediate Family Members, Transactions or Related Person Firms.

Management shall submit Transactions and appropriate supplemental information to the Corporate Governance and Policy Committee for its review.

The Corporate Governance and Policy Committee shall review Transactions in order to determine whether a Transaction is a Related Person Transaction. The Committee shall take such action with respect to the Related Person Transaction as it deems necessary and appropriate under the circumstances, including approval, disapproval, ratification, cancellation, or a recommendation to management. Only disinterested members of the Committee shall participate in those determinations. In the event it is not practical to convene a meeting of the Corporate Governance and Policy Committee, the Chair of that Committee shall have the right to make such determination and shall promptly report his or her determination in writing to the other members of the Committee.

The Committee shall report its action with respect to any Related Person Transaction to the Board of Directors.

Change in Status or Retirement

If a Director retires or changes his or her employment status or principal responsibility, the Director will tender a resignation to Verizon. The Corporate Governance and Policy Committee will recommend to the Board whether the resignation should be accepted.

Service on Other Boards

A Director who serves as an executive officer of a public company should not serve on more than three public company boards, including that of his or her own company, and other Directors should not serve on more than six public company boards. In order not to disrupt existing affiliations with other boards, a Director may maintain current positions, even if the number of those positions exceed these limits, unless the Board determines that permitting the position to continue will impair the Director's ability to serve on the Verizon Board. Directors are expected to advise the Corporate Governance and Policy Committee of any changes in their membership on other boards.

Retirement

A Director will retire from the Board the day before the Annual Meeting of Shareholders next following his or her 72nd birthday.

Compensation

The Human Resources Committee periodically reviews and determines Director compensation and benefits. The Committee determines compensation based on a review of comparable companies, alignment with the interests of shareholders and the advice of independent advisors.

Stock Ownership

Within three years of joining the Board, each Director shall acquire, and continue to hold during his or her tenure on the Board, Verizon stock with a value equivalent to three times the cash component of the annual Board retainer. Shares held by the Director under any deferral plan are included in determining the number of shares held.

Business Conduct and Ethics

Directors are expected to act in compliance with these Guidelines, applicable laws and regulations, and the spirit of the Verizon Code of Business Conduct for employees. Employee Directors are also governed by Verizon's Code of Business Conduct.

Conflicts of Interest. A Director should avoid situations that result or appear to result in a conflict of interest with Verizon. A Director may be considered to have a conflict of interest if the Director's interest interferes or appears to interfere in any material way with the interests of Verizon, including if

- The Director, any Member of the Director's Immediate Family, or any company with which any of them is associated as an officer, director, five percent or more owner, partner, employee or consultant (i) is a five percent or more owner of, or (ii) has any management interest in, any company that is in the same business as Verizon ("potential competitive interest"), or
- The Director offers gifts or other benefits to or solicits or receives gifts or other benefits from another entity as a result of his or her position with Verizon, or
- The Director has any other relationship that the Corporate Governance and Policy Committee believes is likely to result in a conflict of interest with Verizon.

A non-employee Director is expected to advise Verizon prior to acquiring or continuing any interest or entering into any transaction or relationship that may present a potential competitive interest. The Corporate Governance and Policy Committee, in consultation with the CEO and Chairman, will review and advise the Board as soon as practicable whether a conflict would be presented.

Corporate Opportunities. A Director should not take advantage of an opportunity to engage in a business activity that properly belongs to Verizon, including any activity that is discovered as a result of the use of Verizon information or property or in connection with his or her service as a Director. A Director should not use Verizon information, property or his or her position with Verizon for personal gain.

Securities Transactions. A Director should not trade, or enable any other person to trade, in Verizon's securities or the securities of another company while aware of material non-public information.

Confidentiality. Directors should maintain the confidentiality of information about Verizon and other entities which Verizon entrusts to them, except where the disclosure is authorized or required by law.

Fair Dealing. Directors should act fairly in any dealings with the Corporation's stakeholders, including customers, suppliers, competitors, employees and shareholders.

Waiver. No waiver of any provision of the business conduct and ethics requirements for a Director, or of any provision of the Verizon Code of Business Conduct for a Verizon Senior Executive, may be granted without the approval of the Board of Directors. The Board is strongly predisposed against any such waivers. However, in order to approve any such waiver, the Board must affirmatively find that the waiver does not violate any applicable law or regulation and that the waiver is in the best interests of the Corporation. In the event the Board approves a waiver, it will ensure that the waiver and the Board's rationale for granting the waiver are promptly disclosed, consistent with applicable legal and stock exchange requirements.

Verizon Senior Executives Serving on Outside Boards

A Verizon Senior Executive must obtain approval from the Corporate Governance and Policy Committee in advance of accepting any new membership on the Board of a public company. Verizon Senior Executives may not serve on the Board of more than two public companies other than Verizon.

A Verizon Senior Executive will not accept a new directorship with a company if the CEO or other executive officer of that company is serving as a Director of Verizon.

Shareholder Communications with Directors

If a shareholder wishes to communicate directly with the Board, a Committee of the Board or with an individual Director, he or she should send the communication to:

Verizon Communications Inc.
The Board/of Directors [or Committee name or Director's name, as appropriate]
140 West Street, 29th Floor
New York, New York 10007

Verizon will forward all shareholder correspondence about Verizon to the Board, Committee or individual Director(s).

Policy on Adoption of Shareholder Rights Plans

The Corporation does not currently have a shareholder rights plan, or "poison pill," and the Board currently has no plans to adopt such a plan. However, if the Board is presented with a set of facts and circumstances which leads it to conclude that adopting a rights plan would be in the best interest of shareholders, it will seek prior shareholder approval unless the independent Directors, exercising their fiduciary duties, determine that such submission would not be in the best interests of shareholders under the circumstances. If any rights plan is adopted without prior shareholder approval, it will be presented to shareholders within one year or expire within one year without being renewed or replaced. Any plan adopted by the Board will also contain a "sunset" provision, providing that shareholders will have the opportunity to ratify or reject the plan every three years following the date of initial shareholder approval.

Shareholder Advisory Vote

Effective with the Corporation's 2009 Annual Meeting of Shareholders, a management proposal related to executive compensation in the form approved by the Board of Directors will be submitted annually to shareholders for a non-binding vote.

Appendix B

Related Dow Peer Information

The following chart lists the companies included in the Related Dow Peers for 2013 compensation purposes, and their market capitalization as of December 31, 2013, as reported by Bloomberg, and net income attributable to the company, revenue and total employees, as of each company's most recent fiscal year-end as reported in SEC filings.

Company	Market Capitalization ($ Millions)	Net Income Attributable to the Company ($ Millions)	Revenue ($ Millions)	Total Employees
3M	93,300			
Alcoa	11,385			
American Express	97,196			
AT&T	185,645			
Bank of America	166,072			
Boeing	102,566			
Caterpillar	57,787			
CenturyLink	18,826			
Chevron	240,224			
Cisco Systems	119,925			
Coca-Cola	182,422			
Comcast	134,921			
Du Pont (E I)	60,169			
Exxon Mobil	442,094			
General Electric	283,590			
Hewlett-Packard	53,408			
Home Depot	115,953			
IBM	203,674			
Intel	129,022			
Johnson & Johnson	258,416			
JPMorgan Chase	219,837			
McDonald's	96,548			
Merck	146,243			
Microsoft	312,298			
Pfizer	198,515			
Procter & Gamble	221,291			
Sprint Nextel	42,271			
Time Warner Cable	38,196			
Travelers	32,963			
UnitedHealth	75,809			
United Technologies	104,421			
Wal-Mart	254,623			
Walt Disney	134,256			
Verizon	140,626			
Verizon's Ranking	15			
Verizon's Percentile Ranking	58%			

Appendix C

Verizon Communications Inc. Reconciliation of Non-GAAP Measures

Adjusted Net Income Reconciliation

(dollars in billions)

Year Ended December 31,	2013
Reported Net Income Attributable to Verizon	$ 11.5
Severance, Pension and Benefit Credits	(3.9)
Gain on Spectrum License Transaction [1]	-
Wireless Transaction Costs	0.6
Adjusted Net Income Attributable to Verizon	$ 8.2

[1] The after-tax Gain on Spectrum License Transaction amounted to $47.8 million.

Adjusted EPS Reconciliation

Year Ended December 31,	2013
Reported EPS	$4.00
Severance, Pension and Benefit Credits	(1.35)
Gain on Spectrum License Transaction	(0.02)
Wireless Transaction Costs	0.20
Adjusted EPS	$ 2.84

Note: EPS may not add due to rounding.

Free Cash Flow Reconciliation

(dollars in billions)

Year Ended December 31,	2013
Net Cash Provided by Operating Activities	$ 38.8
Less: Capital Expenditures (including capitalized software)	16.6
Free Cash Flow	$ 22.2

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Hilliard Homes II Limited Partnership

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1020 West Montrose Avenue
Chicago, Illinois 60613

C. Telephone: 312-274-9137 Fax: 312-337-4592 Email: josephdunne@holstenchicago.com

D. Name of contact person: Joseph Dunne

E. Federal Employer Identification No. (if you have one): 36-4378387

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. **For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?**

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity.**
NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.
NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
HH2 Development Corporation	Managing General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant Tax Credit Fund 32, Ltd.	21600 Oxnard Street, Suite 1200 Woodland Hills, CA 91367-4949	99.98%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Applegate & Thorne-Thomsen	626 West Jackson Blvd., Chicago	Attorney	$20,000
Developers Mortgage Corporation	221 North LaSalle Street, Suite 3333 Chicago, Illinois 60601	Mortgage Banking	$35,000

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[X] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [X] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [X] No

If you checked "No" to question 1. or 2. above, please provide an explanation:
The Applicant is a limited partnership and has no employees.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Hilliard Homes II Limited Partnership
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter Holsten
(Print or type name of person signing)

Member, HH2 Development Corporation
Managing General Partner
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 3, 2014,
at Cook County, _____ (state).

_____ Notary Public.

Commission expires: 8/26/15.

"OFFICIAL SEAL"
NIKISHIANNA CLAY
Notary Public, State of Illinois
My Commission Expires 08/26/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

HH2 Development Corporation

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1020 West Montrose Avenue
Chicago, Illinois 60613

C. Telephone: 312-274-9137 Fax: 312-337-4592 Email: josephdunne@holstenchicago.com

D. Name of contact person: Joseph Dunne

E. Federal Employer Identification No. (if you have one): 36-4375800

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Peter Holsten	President

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Peter Holsten	1020 West Montrose Ave Chicago, Illinois 60613	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article 1 of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

HH2 Development Corporation
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter Holsten
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec 3, 2014,
at Cook County, _____ (state).

_____ Notary Public.

Commission expires: 8/24/15.

"OFFICIAL SEAL"
NIKISHIANNA CLAY
Notary Public, State of Illinois
My Commission Expires 08/26/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Tax Credit Fund 32, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): 20-1352064

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant Capital, Ltd.	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant Capital, Ltd.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	0.01% (GP)
Verizon Credit, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99.99% (LP)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Tax Credit Fund 32, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here) By: Alliant Capital, Ltd., its general partner
By: Alliant, Inc., its general partner
By: Brian Goldberg, President

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Capital, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): 65-0773626

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant, Inc.	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	1% (GP)
The Alliant Company, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99% (LP)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Capital, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here) By Alliant, Inc., its general partner
By. Brian Goldberg, President

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Alliant Company, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

D. Name of contact person: Shawn Horwitz

E. Federal Employer Identification No. (if you have one): 20-5983661

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant, Inc.	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	1% (Managing Member)
Palm Drive Associates, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24.75% (Non-Managing Member)
344 Columbia Associates, Ltd.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24.75% (Non-Managing Member)
SAK Housing, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	49.5% (Non-Managing Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Alliant Company, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here) By: Alliant, Inc , its managing member
By Shawn Horwitz, CEO

Shawn Horwitz
(Print or type name of person signing)

Chief Executive Officer
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 09/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): 65-0773621

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Sidney Kohl	Director/Chairman of the Board
Shawn Horwitz	Director/Chief Executive Office
Scott Kotick	Director/Executive Vice President
Brian Goldberg	President
James Jenkins	Director/Vice President/Treasurer/Secretary

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Sidney Kohl	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	50% Shareholder
Shawn Horwitz	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	25% Shareholder
Scott Kotick	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	25% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at LosAngeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 20-5847098

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Robert Kohl	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Kohl New Generations Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	11 25%
SAK Housing, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	45%
Sidney A Kohl 2012 Irrevocable Family Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24%
The Lawrence Kohl 2013 Family Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	15%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Robert Kohl
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand
Notary Public

MOIRA MALLOY-BERTRAND
MY COMMISSION # EE 07 [illegible]
EXPIRES: March 24, 20[illegible]
Bonded Thru Notary Public Underwriters

Expires: 3-24-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Kohl New Generations Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 46-7106962

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Pentacorp, Inc., Patricia Fadness, President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SK Grandchildren	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Kohl New Generations Trust
(Print or type name of Disclosing Party)

By: Patricia Fadness
(Sign here) By: Pentacorp, Inc., Trustee
By: Patricia Fadness, President

Patricia Fadness
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 23, 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 65-0776077

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Sidney A. Kohl	President
James C. Jenkins	Vice President / Treasurer

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Jana Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder
Lisa Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder
Lori Gandleman 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

James C. Jenkins
(Print or type name of person signing)

Vice President / Treasurer
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Sidney A Kohl 2012 Irrevocable Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 36-6230330

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Robert Kohl	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SK Grandchildren	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Sidney A Kohl 2012 Irrevocable Family Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Robert Kohl
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec 4 2014.
at Palm Beach County, Florida (state).

_____ Notary Public.

Commission expires. 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Lawrence Kohl 2013 Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 46-7190892

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Pentacorp, Inc., Patricia Fadness, President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Lawrence Kohl	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Lawrence Kohl 2013 Family Trust
(Print or type name of Disclosing Party)

By: Patricia Fadness
(Sign here) By: Pentacorp, Inc., Trustee
By: Patricia Fadness, President

Patricia Fadness
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES. March 24, 2018
Bonded Thru Notary Public Underwriters

Commission expires: 3-24-2018.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Palm Drive Associates, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 21600 Oxnard Street, suite 1200
Woodland Hills, CA 91367

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

D. Name of contact person: Shawn Horwitz

E. Federal Employer Identification No. (if you have one): 95-4648547

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Shawn Horwitz	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Shawn Horwitz	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Managing Member)
Joanne Horwitz	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Palm Drive Associates, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Shawn Horwitz
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 09/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

344 Columbia Associates, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 21600 Oxnard Street, Suite 1200
Woodland Hills, CA 91367

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: scott.kotick@alliantcapital.com

D. Name of contact person: Scott Kotick

E. Federal Employer Identification No. (if you have one): 31-1573400

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Ohio

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Scott Kotick	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Scott Kotick	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	25% (Managing Member)
Myra Kotick	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	25% (Member)
Kotick Family, LP	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

344 Columbia Associates, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Scott Kotick
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Credit Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 221 East 37 Street, 7 Floor
New York, NY 10016

C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: Peter.D.Rutherford@Verizon.Com

D. Name of contact person: Peter D. Rutherford

E. Federal Employer Identification No. (if you have one): 16-1170094

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See Attached	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
GTE Corporation	140 West Street New York, NY 10007	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter? Upon knowledge without inquiry

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [x] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records. verification is based on a cursory review of some records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City. to the best of my knowledge.

Verizon Credit Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter D. Rutherford
(Print or type name of person signing)

Senior Vice President-Transactions and Portfolio Management
(Print or type title of person signing)

Signed and sworn to before me on (date) December 5, 2014,
at New York County, New York (state).

_____ Notary Public.

Commission expires: _____.

MARVA LEVINE
Notary Public, State of New York
No. 02LE-4818478
Qualified in New York County
Commission Expires February 28, 2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [ ] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

Verizon Credit Inc. -- *Current Officers*

Name	Title
Cordy, Scott L.	Vice President - Taxes
Ellis, Matthew D.	Chairman of the Board
Golabek, Michael J.	Environmental Health and Safety Officer
Jankun, Richard P.	Vice President - Taxes
Krakowski, Richard F.	Senior Vice President - Chief Financial Officer and Risk Management, and Assistant Treasurer
Krause, Tracy	Treasurer
Levine, Marva M.	Vice President - Assistant General Counsel and Secretary
Manniello, Mario	Vice President - Taxes
Mason, J. Daniel	Assistant Secretary
Mattiola, Paul L.	Vice President - Taxes
Metzger, Kathleen	Vice President - Taxes
Meyer, Bonnie M.	Vice President - Affiliate Vendor Finance
Perrett, Londa C.	Assistant Secretary
Prashker, Audrey E.	Vice President and General Counsel
Repp, Paul H.	President and Chief Executive Officer
Rutherford, Peter D.	Senior Vice President - Transactions and Portfolio Management

Verizon Credit Inc. -- *Current Directors*

Name

Ellis, Matthew D.

Repp, Paul H.

Van Saders, William P.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Communications, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes II Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 221 East 37 Street, 7th floor
New York, NY 10016

C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: peter.d.rutherford@verizon.com

D. Name of contact person: Peter.D.Rutherford

E. Federal Employer Identification No. (if you have one): 16-1170094

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	23-2259884
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1095 Avenue of the Americas New York, New York	10036
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 395-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

At September 30, 2014, 4,149,723,706 shares of the registrant's common stock were outstanding, after deducting 92,650,534 shares held in treasury.

PART I – FINANCIAL INFORMATION

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Item 1. Financial Statements

Condensed Consolidated Statements of Income
Verizon Communications Inc. and Subsidiaries

(dollars in millions, except per share amounts) (unaudited)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Operating Revenues	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Operating Expenses				
Cost of services and sales (exclusive of items shown below)	12,752	10,960	32,528	32,925
Selling, general and administrative expense	8,277	8,037	24,159	24,232
Depreciation and amortization expense	4,167	4,154	12,465	12,423
Total Operating Expenses	24,696	23,151	72,152	69,580
Operating Income	6,890	7,128	21,735	19,905
Equity in earnings (losses) of unconsolidated businesses	(48)	19	1,851	134
Other income and (expense), net	71	20	(727)	84
Interest expense	(1,255)	(555)	(3,633)	(1,606)
Income Before Provision For Income Taxes	5,658	6,612	19,356	18,517
Provision for income taxes	(1,864)	(1,034)	(5,052)	(2,886)
Net Income	$ 3,794	$ 5,578	$ 14,304	$ 15,631
Net income attributable to noncontrolling interests	$ 99	$ 3,346	$ 2,248	$ 9,201
Net income attributable to Verizon	3,695	2,232	11,856	6,430
Net Income	$ 3,794	$ 5,578	$ 14,304	$ 15,631
Basic Earnings Per Common Share				
Net income attributable to Verizon	$ .89	$ .78	$ 3.03	$ 2.24
Weighted-average shares outstanding (in millions)	4,152	2,866	3,912	2,866
Diluted Earnings Per Common Share				
Net income attributable to Verizon	$ .89	$ .78	$ 3.03	$ 2.24
Weighted-average shares outstanding (in millions)	4,159	2,874	3,919	2,874
Dividends declared per common share	$ .553	$ .543	$ 1.61	$ 1.56

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Comprehensive Income
Verizon Communications Inc. and Subsidiaries

(dollars in millions) (unaudited)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Net Income	$ 3,794	$ 5,578	$ 14,304	$ 15,631
Other comprehensive gain (loss), net of taxes				
Foreign currency translation adjustments	(114)	140	(1,054)	4
Unrealized gain (loss) on cash flow hedges	153	6	(11)	(12)
Unrealized gain (loss) on marketable securities	(13)	14	(1)	(1)
Defined benefit pension and postretirement plans	(19)	(36)	(117)	(108)
Other comprehensive gain (loss) attributable to Verizon	(13)	124	(1,183)	(117)
Other comprehensive gain (loss) attributable to noncontrolling interests	–	4	(23)	(11)
Total Comprehensive Income	$ 3,781	$ 5,706	$ 12,898	$ 15,503
Comprehensive income attributable to noncontrolling interests	$ 99	$ 3,350	$ 2,225	$ 9,190
Comprehensive income attributable to Verizon	3,682	2,356	10,673	6,313
Total Comprehensive Income	$ 3,781	$ 5,706	$ 12,898	$ 15,503

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheets
Verizon Communications Inc. and Subsidiaries

(dollars in millions, except per share amounts) (unaudited)	At September 30, 2014	At December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 7,218	$ 53,528
Short-term investments	635	601
Accounts receivable, net of allowances of $646 and $645	13,283	12,439
Inventories	1,206	1,020
Prepaid expenses and other	2,431	3,406
Total current assets	24,773	70,994
Plant, property and equipment	230,152	220,865
Less accumulated depreciation	140,520	131,909
	89,932	88,956
Investments in unconsolidated businesses	818	3,432
Wireless licenses	75,303	75,747
Goodwill	24,617	24,634
Other intangible assets, net	5,738	5,800
Other assets	5,112	4,535
Total assets	$ 226,293	$ 274,098
Liabilities and Equity		
Current liabilities		
Debt maturing within one year	$ 1,603	$ 3,933
Accounts payable and accrued liabilities	17,055	16,453
Other	8,231	6,664
Total current liabilities	26,889	27,050
Long-term debt	107,627	89,658
Employee benefit obligations	25,770	27,682
Deferred income taxes	42,289	28,639
Other liabilities	5,750	5,653
Equity		
Series preferred stock ($.10 par value; none issued)	–	–
Common stock ($.10 par value; 4,242,374,240 and 2,967,610,119 shares issued in each period, respectively)	424	297
Contributed capital	11,089	37,939
Reinvested earnings	6,964	1,782
Accumulated other comprehensive income	1,175	2,358
Common stock in treasury, at cost	(3,465)	(3,961)
Deferred compensation – employee stock ownership plans and other	390	421
Noncontrolling interests	1,391	56,580
Total equity	17,968	95,416
Total liabilities and equity	$ 226,293	$ 274,098

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Cash Flows
Verizon Communications Inc. and Subsidiaries

(dollars in millions) (unaudited)	Nine Months Ended September 30, 2014	2013
Cash Flows from Operating Activities		
Net Income	$ 14,104	$ 15,691
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	12,465	12,423
Employee retirement benefits	843	649
Deferred income taxes	914	3,011
Provision for uncollectible accounts	684	746
Equity in earnings of unconsolidated businesses, net of dividends received	(1,785)	(100)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(816)	(1,078)
Other, net	(3,252)	(2,895)
Net cash provided by operating activities	23,157	28,387
Cash Flows from Investing Activities		
Capital expenditures (including capitalized software)	(12,624)	(11,807)
Acquisitions of investments and businesses, net of cash acquired	(180)	(81)
Acquisitions of wireless licenses	(343)	(430)
Proceeds from dispositions of wireless licenses	2,367	2,111
Proceeds from dispositions of businesses	120	–
Other, net	230	184
Net cash used in investing activities	(10,430)	(10,023)
Cash Flows from Financing Activities		
Proceeds from long-term borrowings	21,575	49,166
Repayments of long-term borrowings and capital lease obligations	(12,594)	(2,392)
Decrease in short-term obligations, excluding current maturities	(426)	(324)
Dividends paid	(5,653)	(4,420)
Proceeds from sale of common stock	34	76
Purchase of common stock for treasury	–	(153)
Special distribution to noncontrolling interest	–	(3,150)
Acquisition of noncontrolling interest	(58,886)	–
Other, net	(3,087)	(3,550)
Net cash provided by (used in) financing activities	(59,037)	35,253
Increase (decrease) in cash and cash equivalents	(46,310)	53,617
Cash and cash equivalents, beginning of period	53,528	3,093
Cash and cash equivalents, end of period	$ 7,218	$ 56,710

See Notes to Condensed Consolidated Financial Statements

Notes to Condensed Consolidated Financial Statements
Verizon Communications Inc. and Subsidiaries
(Unaudited)

1 Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared based upon Securities and Exchange Commission rules that permit reduced disclosure for interim periods. For a more complete discussion of significant accounting policies and certain other information, you should refer to the financial statements included in the Verizon Communications Inc. (Verizon or the Company) Annual Report on Form 10-K for the year ended December 31, 2013. These financial statements reflect all adjustments that are necessary for a fair presentation of results of operations and financial condition for the interim periods shown, including normal recurring accruals and other items. The results for the interim periods are not necessarily indicative of results for the full year. We have reclassified certain prior year amounts to conform to the current year presentation. Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other. The impact of this reclassification was not material to our condensed consolidated financial statements.

Revenue Recognition

We offer new and existing customers the option to participate in Verizon Edge, a program that provides eligible wireless customers with the ability to pay for handsets under an equipment installment plan. Under the Verizon Edge program, customers have the right to upgrade their handset after a minimum of 30 days, subject to certain conditions, including making a stated portion of the required device payments, trading in their handset in good working condition and signing a new contract with Verizon. Upon upgrade, the outstanding balance of the equipment installment plan is exchanged for the used handset. This trade-in right is accounted for as a guarantee obligation.

Verizon Edge is a multiple-element arrangement typically consisting of the trade-in right, handset and monthly wireless service. At the inception of the arrangement, the amount allocable to the delivered units of accounting is limited to the amount that is not contingent upon the delivery of the monthly wireless service (the non-contingent amount). The full amount of the trade-in right's fair value (not an allocated value) will be recognized as the guarantee liability and the remaining allocable consideration will be allocated to the handset. The value of the guarantee liability effectively results in a reduction to revenue recognized for the sale of the handset. The guarantee liability is measured at fair value upon initial recognition based on assumptions lacking observable pricing inputs, including the probability and timing of the customer upgrading to a new phone, the customer's estimated remaining installment balance at the time of trade-in and the estimated fair value of the phone at the time of trade-in and therefore is classified within Level 3 of the fair value hierarchy. When the customer trades in their used phone, the handset received is recorded to inventory and measured as the difference between the remaining equipment installment plan balance at the time of trade-in and the guarantee liability. The guarantee liability may increase after initial recognition as a result of changes in facts or assumptions and we will account for any increase in the guarantee liability with a corresponding decrease to revenue. The subsequent derecognition of the guarantee liability occurs when the guarantee is released from risk, which will occur at the earlier of the time the trade-in right is exercised or expires.

Leasing Arrangements

At each reporting period, we monitor the credit quality of the various lessees in our portfolios. Regarding the leveraged lease portfolio, we use external credit reports where available and where not available we use internally developed indicators. These indicators or internal credit risk grades factor historic loss experience, the value of the underlying collateral, delinquency trends and industry and general economic conditions. The credit quality of our lessees primarily varies from AAA to CCC-. For each reporting period the leveraged leases within the portfolio are reviewed for indications of impairment where it is probable the rent due according to the contractual terms of the lease will not be collected. All significant accounts individually or in the aggregate are current and none are classified as impaired.

Earnings Per Common Share

There were a total of approximately 7 million outstanding dilutive securities, primarily consisting of restricted stock units, included in the computation of diluted earnings per common share for the three and nine months ended September 30, 2014, respectively. There were a total of approximately 8 million outstanding dilutive securities, primarily consisting of restricted stock units, included in the computation of diluted earnings per common share for the three and nine months ended September 30, 2013, respectively. There were no outstanding options to purchase shares that would have been anti-dilutive for the three months ended September 30, 2014. Outstanding options to purchase shares that were not included in the computation of diluted earnings per common share, because to do so would have been anti-dilutive for the period, were not significant for the nine months ended September 30, 2014 and the three and nine months ended September 30, 2013, respectively.

Recently Adopted Accounting Standards

During the first quarter of 2014, we adopted the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. The adoption of this standard update did not have a significant impact on our condensed consolidated financial statements.

Recent Accounting Standards

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures of disposals of components of an entity was issued. This standard update changes the criteria for reporting discontinued operations and enhances convergence of the reporting requirements for discontinued operations. As a result of this standard update, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on an entity's operations and financial results. This standard update is effective as of the first quarter of 2015, however, earlier adoption is permitted.

In May 2014, the accounting standard update related to the recognition of revenue from contracts with customers was issued. This standard update clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards. The standard update intends to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, and provide more useful information to users of financial statements through improved disclosure requirements. Upon adoption of this standard update, we expect that the allocation and timing of revenue recognition will be impacted. We expect to adopt this standard update during the first quarter of 2017.

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers. Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients. Under the other method, the guidance is applied to contracts not completed as of the date of initial application, recognizing the cumulative effect of the change as an adjustment to the beginning balance of retained earnings, and also requires additional disclosures comparing the results to the previous guidance. We are currently evaluating these adoption methods and the impact that this standard update will have on our condensed consolidated financial statements.

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period was issued. The standard update resolves the diverse accounting treatment for these share-based payments by requiring that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. We will adopt this standard update during the first quarter of 2016. The adoption of this standard update is not expected to have a significant impact on our condensed consolidated financial statements.

2 Acquisitions and Divestitures

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion.

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VF1 Inc.), which indirectly through certain subsidiaries (together with VF1 Inc. the Purchased Entities) owned the Vodafone Interest. In consideration for the Transferred Shares, upon completion of the Wireless Transaction, Verizon (i) paid approximately $58.89 billion in cash, (ii) issued approximately 1.27 billion shares of Verizon's common stock (par value $0.10 per share (the Stock Consideration)) which was valued at approximately $61.3 billion at the

closing of the Wireless Transaction, (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5.0

billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23.1% interest in Vodafone Omnitel N.V. (Omnitel, and such interest, the Omnitel Interest), valued at $3.5 billion and (v) provided other consideration, which included the assumption of preferred stock valued at approximately $1.7 billion. The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness. See Note 4 for additional information.

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted. As a result, we accounted for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in the Partnership. Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted has been recognized in equity attributable to Verizon.

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also consummated the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement. As a result, during the nine months ended September 30, 2014, we recognized a pre-tax gain of $1.9 billion on the disposal of the Omnitel interest in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income.

Verizon Notes

The Verizon Notes were issued to Vodafone pursuant to Verizon's existing indenture. The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 (the eight-year Verizon Notes) and $2.5 billion due February 21, 2025 (the eleven-year Verizon Notes). The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014. The eight-year Verizon Notes bear interest at a floating rate equal to three-month London Interbank Offered Rate (LIBOR) plus 1.222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%. The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series. Beginning two years after the closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017. Any Verizon Notes held by third parties will not be redeemable by Verizon prior to their maturity dates. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration provided to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D shares (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable on April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction.

Deferred Tax Liabilities

Certain deferred taxes directly attributable to the Wireless Transaction have been calculated based on an analysis of taxes attributable to the difference between the tax basis of the investment in the noncontrolling interest that is assumed compared to Verizon's book basis. As a result, Verizon recorded a deferred tax liability of approximately $13.5 billion.

Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA, Inc. (T-Mobile USA) to exchange certain Advanced Wireless Services (AWS) and Personal Communication Services (PCS) licenses. The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these

exchanges, we received $0.9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses. As a result, we received $1.6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0.7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014.

During September 2014, we entered into a license exchange agreement with affiliates of AT&T Inc. to exchange certain AWS and PCS spectrum licenses. This non-cash exchange, which is subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, is expected to close in the first quarter of 2015. Upon completion of the transaction, we expect to record an immaterial gain.

During the three and nine months ended September 30, 2014, we acquired various other wireless licenses and markets for cash consideration that was not significant.

Wireline

On July 1, 2014, we sold a non-strategic Wireline business, which provides communications solutions to a variety of government agencies, for net cash proceeds of $0.1 billion and recorded an immaterial gain.

Other

During February 2014, Verizon acquired a business dedicated to the development of Internet Protocol (IP) television for cash consideration that was not significant.

On October 7, 2014, Redbox Instant by Verizon, a venture between Verizon and Redbox Automated Retail, LLC (Redbox), a wholly-owned subsidiary of Outerwall Inc., ceased providing service to its customers. In accordance with an agreement between the parties, Redbox withdrew from the venture on October 20, 2014 and Verizon will wind down and dissolve the venture during the next few months. As a result of the termination of the venture, we expect to record a pre-tax loss of approximately $0.1 billion in the fourth quarter of 2014.

3. Wireless Licenses, Goodwill and Other Intangible Assets

Wireless Licenses

Changes in the carrying amount of Wireless licenses are as follows:

(dollars in millions)	
Balance at January 1, 2014	$ 75,747
Acquisitions (Note 2)	438
Dispositions (Note 2)	(1,978)
Capitalized interest on wireless licenses	162
Reclassifications, adjustments and other	934
Balance at September 30, 2014	$ 75,303

Reclassifications, adjustments and other includes the exchanges of wireless licenses in 2014 as well as $0.3 billion of Wireless licenses that are classified as held for sale and included in Prepaid expenses and other on our condensed consolidated balance sheet at September 30, 2014 (see Note 2 for additional details).

At September 30, 2014, approximately $2.2 billion of Wireless licenses were under development for commercial service for which we were capitalizing interest costs.

Goodwill

Changes in the carrying amount of Goodwill are as follows:

(dollars in millions)	Wireless	Wireline	Total
Balance at January 1, 2014	$ 18,376	$ 6,258	$ 24,634
Acquisitions (Note 2)	15	10	25
Dispositions (Note 2)	–	(38)	(38)
Reclassifications, adjustments and other	–	(4)	(4)
Balance at September 30, 2014	$ 18,391	$ 6,226	$ 24,617

Other Intangible Assets

The following table displays the composition of Other intangible assets, net:

	At September 30, 2014			At December 31, 2013		
(dollars in millions)	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer lists (5 to 13 years)	$ 3,634	$ (2,870)	$ 764	$ 3,639	$ (2,660)	$ 979
Non-network internal-use software (3 to 7 years)	12,841	(8,183)	4,658	11,770	(7,317)	4,453
Other (2 to 25 years)	665	(349)	316	691	(323)	368
Total	$ 17,140	$ (11,402)	$ 5,738	$ 16,100	$ (10,300)	$ 5,800

The amortization expense for Other intangible assets was as follows:

(dollars in millions)	Three Months Ended September 30,	Nine Months Ended September 30,
2014	$ 391	$ 1,178
2013	398	1,183

The estimated future amortization expense for Other intangible assets is as follows:

Years	(dollars in millions)
Remainder of 2014	$ 403
2015	1,379
2016	1,145
2017	959
2018	795

4. Debt

Changes to debt during the nine months ended September 30, 2014 are as follows:

(dollars in millions)	Debt Maturing within One Year	Long-term Debt	Total
Balance at January 1, 2014	$ 3,933	$ 89,658	$ 93,591
Proceeds from long-term borrowings	–	21,575	21,575
Verizon Notes	–	5,000	5,000
Preferred Stock	–	1,650	1,650
Repayments of long-term borrowings and capital lease obligations	(5,363)	(9,231)	(12,594)
Decrease in short-term obligations, excluding current maturities	(426)		(426)
Reclassifications of long-term debt	1,097	(1,097)	–
Other	362	72	434
Balance at September 30, 2014	$ 1,603	$ 107,627	$ 109,230

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, €1.25 billion aggregate principal amount of 3.25% Notes due 2026 and €0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs. The net proceeds were used, in part, to finance the Wireless Transaction. Net proceeds not used to finance the Wireless Transaction were used for general corporate purposes. Also, during February 2014, we issued $3.5 billion aggregate principal amount of 5.90% Notes due 2054, resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes.

On March 10, 2014, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the series of notes listed in the following table:

(dollars in millions, except for Purchase Price)	Interest Rate	Maturity	Principal Amount Outstanding	Purchase Price [1]	Principal Amount Purchased
Verizon Communications	6.10%	2018	$ 1,500	$ 1,170.07	$ 748
	5.50%	2018	1,500	1,136.91	762
	8.75%	2018	1,300	1,285.35	561
	5.55%	2016	1,250	1,093.62	652
	5.50%	2017	750	1,133.22	353
Cellco Partnership and Verizon Wireless Capital LLC	8.50%	2018	1,600	1,275.63	619
Alltel Corporation	7.00%	2016	300	1,125.26	127
GTE Corporation	6.84%	2018	600	1,196.82	266
					$ 4,127

[1] Per $1,000 principal amount of notes.

The Tender Offer for each series of notes was subject to a financing condition, which was either satisfied or waived with respect to all series. The Tender Offer expired on March 17, 2014 and settled on March 19, 2014. In addition to the purchase price, any accrued and unpaid interest on the purchased notes was paid to the date of purchase. During March 2014, we recorded early debt redemption costs in connection with the Tender Offer (see "Early Debt Redemption").

During March 2014, we issued $4.5 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $4.5 billion, net of discounts and issuance costs. The issuances consisted of the following: $0.5 billion aggregate principal amount Floating Rate Notes due 2019 that bear interest at a rate equal to three month LIBOR plus 0.77%,

which rate will be reset quarterly, $0.5 billion aggregate principal amount of 2.55% Notes due 2019, $1.0 billion aggregate principal amount of 3.45% Notes due 2021, $1.25 billion aggregate principal amount of 4.15% Notes due 2024 and $1.25 billion aggregate principal amount of 5.05% Notes due 2034. During March 2014, the net proceeds were used to purchase notes in the Tender Offer described above.

During March 2014, Verizon Wireless redeemed $1.25 billion aggregate principal amount of the Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018 at 127.135% of the principal amount of such notes, plus accrued and unpaid interest (see "Early Debt Redemption"). Also, during March 2014, $1.0 billion of LIBOR plus 0.63% Verizon Communications Notes and $1.5 billion of 1.95% Verizon Communications Notes matured and were repaid.

During September 2014, we issued $0.9 billion aggregate principal amount of 4.8% Notes due 2044. The issuance of these Notes resulted in cash proceeds of approximately $0.9 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes. Also, during September 2014, we redeemed $0.8 billion aggregate principal amount of Verizon 1.25% Notes due November 2014 and recorded an immaterial amount of early debt redemption costs.

On October 22, 2014, we sold $6.5 billion aggregate principal amount of fixed rate notes, which are expected to settle on October 29, 2014. We expect to receive cash proceeds of approximately $6.425 billion, net of discounts and issuance costs and after reimbursement of certain expenses. The sale consisted of the following: $1.5 billion aggregate principal amount of 3.00% Notes due 2021, $2.5 billion aggregate principal amount of 3.50% Notes due 2024, and $2.5 billion aggregate principal amount of 4.40% Notes due 2034. The net proceeds from the offering will be used to redeem (i) in whole the following series of outstanding notes which have been called for early redemption in November 2014: Verizon 4.90% Notes due 2015, Verizon 5.55% Notes due 2016, Verizon 3.00% Notes due 2016, Verizon 5.50% Notes due 2017, Verizon 8.75% Notes due 2018, Alltel Corporation 7.00% Debentures due 2016 and Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and (ii) $1.0 billion aggregate principal amount of Verizon 2.50% Notes due 2016. Any proceeds not used for the redemption of these notes will be used for general corporate purposes.

May Exchange Offer

On May 29, 2014, we announced the commencement of a private exchange offer (the May Exchange Offer) to exchange up to all Cellco Partnership and Verizon Wireless Capital LLC's £0.6 billion outstanding aggregate principal amount of 8.875% Notes due 2018 (the 2018 Old Notes) for Verizon's new sterling-denominated Notes due 2024 (the New Notes) and an amount of cash. This exchange offer has been accounted for as a modification of debt. In connection with the May Exchange Offer, which expired on June 25, 2014, we issued £0.7 billion aggregate principal of New Notes and made a cash payment of £22 million in exchange for £0.6 billion aggregate principal amount of tendered 2018 Old Notes. The New Notes bear interest at a rate of 4.073% per annum.

Concurrent with the issuance of the New Notes, we entered into cross currency swaps to fix our future interest and principal payments in U.S. dollars (see Note 6).

July Exchange Offers

On July 25, 2014, we announced the commencement of eleven separate private offers to exchange (the July Exchange Offers) specified series of outstanding Notes issued by Verizon and Alltel Corporation (collectively, the Old Notes) for new Notes to be issued by Verizon. The July Exchange Offers have been accounted for as a modification of debt. On August 21, 2014, Verizon issued $2.3 billion aggregate principal amount of 2.625% Notes due 2020 (the 2020 New Notes), $4.5 billion aggregate principal amount of 4.862% Notes due 2046 (the 2046 New Notes) and $5.5 billion aggregate principal amount of 5.012% Notes due 2054 (the 2054 New Notes) in satisfaction of the exchange offer consideration on tendered Old Notes (not including accrued and unpaid interest on the Old Notes). The following tables list the series of Old Notes included in the July Exchange Offers and the principal amount of each such series accepted by Verizon for exchange.

The table below lists the series of Old Notes included in the July Exchange Offers for the 2020 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	3.65%	2018	$ 4,750	$ 2,052
	2.50%	2016	4,250	1,068
				$ 3,120

The table below lists the series of Old Notes included in the July Exchange Offers for the 2046 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.40%	2033	$ 6,000	$ 1,645
	7.75%	2030	2,000	794
	7.35%	2039	1,000	520
	7.75%	2032	400	149
Alltel Corporation	7.875%	2032	700	248
	6.80%	2029	300	65
				$ 3,421

The table below lists the series of Old Notes included in the July Exchange Offers for the 2054 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.55%	2043	$ 15,000	$ 4,330
	6.40%	2038	1,750	–
	6.90%	2038	1,250	–
				$ 4,330

Term Loan Agreement

During February 2014, we drew $6.6 billion pursuant to a term loan agreement with a group of major financial institutions to finance, in part, the Wireless Transaction. $3.3 billion of the loans under the term loan agreement had a maturity of three years (the 3-Year Loans) and $3.3 billion of the loans under the term loan agreement had a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50 to 1.00, until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

During June 2014, we issued $3.3 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $3.3 billion, net of discounts and issuance costs. The issuances consisted of the following: $1.3 billion aggregate principal amount of Floating Rate Notes due 2017 that will bear interest at a rate equal to three-month LIBOR plus 0.40% which will be reset quarterly and $2.0 billion aggregate principal amount of 1.35% Notes due 2017. We used the net proceeds from the offering of these notes to repay the 3-Year Loans on June 12, 2014.

During July 2014, we amended the term loan agreement, settled the outstanding $3.3 billion of 5-Year Loans and borrowed $3.3 billion of new loans. The new loans mature in July 2019, bear interest at a lower interest rate and require lower amortization payments in 2017 and 2018. In connection with the transaction, which primarily settled on a net basis, we recorded approximately $0.5 billion of proceeds from long-term borrowings and of repayments of long-term borrowings, respectively.

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5.0 billion aggregate principal amount of floating rate notes to Vodafone. These notes were issued in two separate series with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 (see Note 2). The eight-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR plus 1.222% and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR plus 1.372%.

Preferred Stock

As a result of the Wireless Transaction, we assumed long-term obligations with respect to 5.143% Class D and Class E cumulative Preferred Stock issued by one of the Purchased Entities. Both the Class D shares (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction.

Other Credit Facilities

On July 31, 2014, we amended our $6.2 billion credit facility to increase the availability to $8.0 billion and extend the maturity to July 31, 2018. At the same time, we terminated our $2.0 billion 364-day revolving credit agreement. As of September 30, 2014, the unused borrowing capacity under this credit facility was approximately $7.9 billion.

Early Debt Redemption

During March 2014, we recorded net debt redemption costs of $0.9 billion in connection with the early redemption of $1.25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 5.55% Notes due 2018, and the purchase of the following notes pursuant to the Tender Offer: $0.7 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 6.10% Notes due 2018, $0.8 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 5.50% Notes due 2018, $0.6 billion of the then outstanding $1.3 billion aggregate principal amount of Verizon 8.75% Notes due 2018, $0.7 billion of the then outstanding $1.25 billion aggregate principal amount of Verizon 5.55% Notes due 2016, $0.4 billion of the then outstanding $0.75 billion aggregate principal amount of Verizon 5.50% Notes due 2017, $0.6 billion of the then outstanding $1.0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, $0.2 billion of the then outstanding $0.3 billion aggregate principal amount of Alltel Corporation 7.00% Debentures due 2016 and $0.3 billion of the then outstanding $0.6 billion aggregate principal amount of GTE Corporation 6.84% Debentures due 2018.

We recognize early debt redemption costs in Other income and (expense), net on our condensed consolidated statement of income.

Guarantees

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries. As of September 30, 2014, $3.1 billion aggregate principal amount of these obligations remained outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, including the operating telephone company no longer being a wholly owned subsidiary of Verizon.

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of September 30, 2014, $1.4 billion aggregate principal amount of these obligations remain outstanding.

Debt Covenants

We and our consolidated subsidiaries are in compliance with all of our debt covenants.

5 Wireless Equipment Installment Plans

We offer new and existing customers the option to participate in Verizon Edge, a program that provides eligible wireless customers with the ability to pay for their handset over a period of time (an equipment installment plan) and the right to upgrade their handset after a minimum of 20 days, subject to certain conditions, including making a stated portion of the required device payments, trading in their handset in good working condition and signing a new contract with Verizon. At September 30, 2014, the guarantee liability related to this program was approximately $0.7 billion.

At the time of sale, we impute risk adjusted interest on the receivables associated with Verizon Edge. We record the imputed interest as a reduction to the related accounts receivable. Interest income, which is included within Other income and (expense), net on our condensed consolidated statements of income, is recognized over the financed installment term.

We assess the collectability of our Verizon Edge receivables based upon a variety of factors, including the credit quality of the customer base, payment trends and other qualitative factors. The current portion of our receivables related to Verizon Edge included in Accounts receivable was $1.4 billion at September 30, 2014 and was not material at December 31, 2013. The long-term portion of the equipment installment plan receivables included in Other assets was $0.6 billion at September 30, 2014 and was not material at December 31, 2013.

The credit profiles of our customers with a Verizon Edge plan are similar to those of our customers with a traditional subsidized plan. Customers with a credit profile which carries a higher risk are required to make a down payment for equipment financed through Verizon Edge.

6 Fair Value Measurements

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of September 30, 2014.

(dollars in millions)	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total
Assets				
Short-term investments				
Equity securities	$ 388	$ –	$ –	$ 388
Fixed income securities	–	247	–	247
Other assets				
Fixed income securities	–	908	–	908
Interest rate swaps	–	44	–	44
Cross currency swaps	–	9	–	9
Total	$ 388	$ 1,208	$ –	$ 1,596
Liabilities:				
Other liabilities				
Forward interest rate swaps	$ –	$ 138	$ –	$ 138
Cross currency swaps and other	–	123	–	123
Total	$ –	$ 261	$ –	$ 261

[1] quoted prices in active markets for identical assets or liabilities

[2] observable inputs other than quoted prices in active markets for identical assets and liabilities

[3] no observable pricing inputs in the market

Equity securities consist of investments in common stock of domestic and international corporations measured using quoted prices in active markets.

Fixed income securities consist primarily of investments in municipal bonds that do not have quoted prices in active markets. For these securities, we use alternative matrix pricing resulting in these debt securities being classified as Level 2.

Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified within Level 2. We use mid-market pricing for fair value measurements of our derivative instruments. Our derivative instruments are recorded on a gross basis.

We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the fair value hierarchy during the nine months ended September 30, 2014.

Fair Value of Short-term and Long-term Debt

The fair value of our debt is determined using various methods, including quoted prices for identical terms and maturities, which is a Level 1 measurement, as well as quoted prices for similar terms and maturities in inactive markets and future cash flows discounted at current rates, which are Level 2 measurements. The fair value of our short-term and long-term debt, excluding capital leases, was as follows:

	At September 30, 2014		At December 31, 2013	
(dollars in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short- and long-term debt, excluding capital leases	$ 108,685	$ 121,972	$ 93,298	$ 103,527

Derivative Instruments

We enter into derivative transactions to manage our exposure to fluctuations in foreign currency exchange rates, interest rates and equity and commodity prices. We employ risk management strategies, which may include the use of a variety of derivatives, including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks. We do not hold derivatives for trading purposes.

We measure all derivatives, including derivatives embedded in other financial instruments, at fair value and recognize them as either assets or liabilities on our condensed consolidated balance sheets. Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period. Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item. Changes in the fair value of the effective portions of cash flow hedges are reported in Other comprehensive loss and recognized in earnings when the hedged item is recognized in earnings.

Interest Rate Swaps

We enter into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to Interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our condensed consolidated balance sheets as assets and liabilities. The fair value of these contracts was not material at September 30, 2014 and December 31, 2013, respectively. As of September 30, 2014, the total notional amount of the interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material for the three and nine months ended September 30, 2014, respectively.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a total notional value of $2.0 billion. We designated these contracts as cash flow hedges. In March 2014, we settled these forward interest rate swaps and the pre-tax gain was not material. During the first and second quarters of 2014, we entered into forward interest rate swaps with total notional values of $0.9 billion and $3.5 billion, respectively. During the third quarter of 2014, we entered into forward interest rate swaps with a total notional value of $0.8 billion. We designated these contracts as cash flow hedges.

In October 2014, we settled $1.25 billion of forward interest rate swaps.

Cross Currency Swaps

During the first quarter of 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

During the second quarter of 2014, in connection with the May Exchange Offer, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.2 billion of British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the effect of foreign currency transaction gains or losses In June 2014 we settled $0 8 billion of these cross currency swaps as part of the Exchange Offer and the gains with respect to these swaps were not material

A portion of the gains and losses recognized in Other comprehensive income (loss) was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was $0 1 billion at September 30 2014 and was not material at December 31 2013 During the three and nine months ended September 30, 2014 a pre-tax loss of $0 1 billion and an immaterial pre-tax loss, respectively were recognized in Other comprehensive income (loss) During the three and nine months ended September 30, 2013, a pre-tax gain of $0 1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss)

7. Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights restricted stock, restricted stock units, performance shares, performance stock units and other awards The maximum number of shares available for awards from the Plan is 119 6 million shares

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant The RSUs are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period Dividend equivalent units are also paid to participants at the time the RSU award is paid and in the same proportion as the RSU award

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting The PSU award liability is measured at its fair value at the end of each reporting period and, therefore will fluctuate based on the price of Verizon common stock as well as performance relative to the targets Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award

The following table summarizes the Restricted Stock Unit and Performance Stock Unit activity

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding, January 1 2014	16,193	23 724
Granted	5,041	7,080
Payments	(6,165)	(9,153)
Cancelled/Forfeited	(229)	(252)
Outstanding, September 30, 2014	14,840	21,399

As of September 30, 2014, unrecognized compensation expense related to the unvested portion of outstanding RSUs and PSUs was approximately $0 5 billion and is expected to be recognized over approximately two years

The RSUs granted in 2014 have a weighted-average grant date fair value of $47 19 per unit

8 Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees In addition, we maintain postretirement health care and life insurance plans for our retirees and their dependents which are both contributory and non-contributory and include a limit on our share of the cost for certain recent and future retirees In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets These estimates are updated in the fourth quarter or upon a remeasurement event to reflect actual return on plan assets and updated actuarial assumptions The adjustment will be recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains and losses

Net Periodic Benefit (Income) Cost

The following table summarizes the benefit (income) cost related to our pension and postretirement health care and life insurance plans

(dollars in millions)	Pension		Health Care and Life	
Three Months Ended September 30,	**2014**	**2013**	**2014**	**2013**
Service cost	$ 82	$ 99	$ 65	$ 79
Amortization of prior service cost (credit)	(2)	2	(63)	(62)
Expected return on plan assets	(296)	(311)	(41)	(36)
Interest cost	259	251	277	273
Net periodic benefit cost	$ 43	$ 41	$ 338	$ 254

(dollars in millions)	Pension		Health Care and Life	
Nine Months Ended September 30,	**2014**	**2013**	**2014**	**2013**
Service cost	$ 245	$ 296	$ 194	$ 238
Amortization of prior service cost (credit)	(6)	5	(190)	(185)
Expected return on plan assets	(886)	(933)	(122)	(108)
Interest cost	777	752	831	821
Remeasurement gain, net	–	(237)	–	–
Net periodic benefit (income) cost	$ 130	$ (117)	$ 713	$ 766

Pension Remeasurement

During the three and six months ended June 30, 2013, we recorded net pre-tax pension remeasurement credits of approximately $0 2 billion in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur The pension remeasurement credits relate to settlements for employees who received lump-sum distributions The credits were primarily driven by an approximately 75 basis point increase in our discount rate assumption used to determine the current year liabilities of one of our pension plans The change in discount rate resulted in a gain of $0 3 billion, partially offset by a loss resulting from the difference between our expected return on assets assumption of 7 5% at December 31, 2012 and our annualized actual return on assets of 7 2% at June 30, 2013, as well as other losses ($0 1 billion) Our weighted-average discount rate assumption increased from 4 2% at December 31 2012 to 5 0% at June 30, 2013

During the three months ended September 30, 2013, as a result of the settlements noted above, we performed a pension remeasurement in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur This remeasurement was not material to our condensed consolidated statement of income for the period

During October 2014, the Society of Actuaries finalized new actuarial tables for applying mortality assumptions to measure qualified defined benefit plan and other post-employment benefit obligations We are currently evaluating the impact these new tables may have on our condensed consolidated financial statements, which may be material

Severance Payments

During the three and nine months ended September 30, 2014, we paid severance benefits of $0 1 billion and $0 4 billion, respectively At September 30, 2014, we had a remaining severance liability of $0.4 billion, a portion of which includes future contractual payments to employees separated as of September 30, 2014

Employer Contributions

During the three and nine months ended September 30, 2014, we contributed $0 2 billion and $1 1 billion, respectively, to our other postretirement benefit plans During the three and nine months ended September 30, 2014, we contributed $0 7 billion and $1 5 billion respectively to our qualified pension plans The contributions to our nonqualified pension plans were $0 1 billion during the three and nine months ended September 30, 2014 There have been no material changes with respect to the qualified and nonqualified pension contributions in 2014 as previously disclosed in Part II Item 7 'Management's Discussion and Analysis of Financial Condition and Results of Operations' in our Annual Report on Form 10-K for the year ended December 31, 2013

9 Equity and Accumulated Other Comprehensive Income

Equity

Changes in the components of Total equity were as follows

(dollars in millions)	Attributable to Verizon	Noncontrolling Interests	Total Equity
Balance at January 1, 2014	$ 38,836	$ 56,580	$ 95,416
Net income	11,856	2,348	14 104
Other comprehensive loss	(1,183)	(23)	(1,206)
Comprehensive income	10 673	2 225	12 898
Issuance of common stock	127	–	127
Contributed capital	(26,850)	–	(26,850)
Dividends declared	(6,674)	–	(6,674)
Common stock in treasury	496	–	496
Purchase of noncontrolling interest	–	(55,960)	(55,960)
Distributions and other	(31)	(1,454)	(1,485)
Balance at September 30, 2014	$ 16,577	$ 1,391	$ 17,968

The changes in Common stock Contributed capital and Purchase of noncontrolling interest are primarily due to the completion of the Wireless Transaction on February 21 2014 See Note 2 for additional information

Prior to the closing of the Wireless Transaction noncontrolling interests included in our condensed consolidated financial statements primarily consisted of Vodafone's 45% ownership interest in Verizon Wireless The noncontrolling interests that remain after the completion of the Wireless Transaction primarily relate to wireless partnership entities

Common Stock

As a result of the Wireless Transaction, Verizon issued approximately 1 27 billion shares of Verizon common stock

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans including 8 1 million common shares issued from Treasury stock during the nine months ended September 30, 2014, which had an aggregate value of $0 4 billion

Accumulated Other Comprehensive Income

The changes in the balances of Accumulated other comprehensive income by component are as follows

(dollars in millions)	Foreign currency translation adjustments	Unrealized loss on cash flow hedges	Unrealized loss on marketable securities	Defined benefit pension and postretirement plans	Total
Balance at January 1, 2014	$ 853	$ 113	$ 117	$ 1,275	$ 2,358
Other comprehensive income (loss)	(143)	99	14	–	(30)
Amounts reclassified to net income	(911)	(110)	(15)	(117)	(1,153)
Net other comprehensive loss	(1,054)	(11)	(1)	(117)	(1,183)
Balance at September 30, 2014	$ (201)	$ 102	$ 116	$ 1,158	$ 1,175

The amounts presented above in net other comprehensive loss are net of taxes and noncontrolling interests, which are not significant For the nine months ended September 30, 2014, the amounts reclassified to net income related to foreign currency translation adjustments are included in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income and are a result of the completion of the Omnitel Transaction See Note 2 for additional details For the nine months ended September 30, 2014, the amounts reclassified to net income related to defined benefit pension and postretirement plans were included in Cost of services and sales and Selling, general and administrative expense on our condensed consolidated statement of income For the nine months ended September 30, 2014, all other amounts reclassified to net income were included in Other income and (expense), net on our condensed consolidated statement of income

10 Segment Information

Reportable Segments

We have two reportable segments which we operate and manage as strategic business units and organize by products and services We measure and evaluate our reportable segments based on segment operating income, consistent with the chief operating decision maker's assessment of segment performance

Corporate, eliminations and other includes unallocated corporate expenses, intersegment eliminations recorded in consolidation the results of other businesses, such as our investments in unconsolidated businesses, pension and other employee benefit related costs, lease financing as well as the historical results of divested operations and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance Effective January 1, 2014, we have also reclassified the results of certain businesses such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other The impact of this reclassification was not material to our condensed consolidated financial statements or our segment results of operations

On July 1, 2014, our Wireline segment divested a non-strategic business (see Note 2) Accordingly, the historical Wireline results for these operations have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results

Our segments and their principal activities consist of the following:

Segment	Description
Wireless	**Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States**
Wireline	**Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.**

The following table provides operating financial information for our two reportable segments

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
External Operating Revenues				
Wireless				
Retail service	$ 17,543	$ 16,764	$ 52,052	$ 49,327
Other service	794	737	2,313	1,950
Service revenue	18,337	17,501	54,365	51,277
Equipment	2,479	1,921	6,735	5,679
Other	991	952	3,011	2,866
Total Wireless	21,807	20,374	64,111	59,822
Wireline				
Consumer retail	3,902	3,735	11,606	11,020
Small business	613	637	1,858	1,907
Mass Markets	4,515	4,372	13,464	12,927
Strategic services	2,068	2,044	6,207	6,055
Core	1,315	1,490	4,097	4,575
Global Enterprise	3,383	3,534	10,304	10,630
Global Wholesale	1,307	1,374	3,979	4,230
Other	119	109	366	321
Total Wireline	9,324	9,389	28,113	28,108
Total segments	31,131	29,763	92,224	87,930
Corporate, eliminations and other	455	516	1,663	1,555
Total consolidated – reported	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Intersegment Revenues				
Wireless	$ 28	$ 25	$ 86	$ 76
Wireline	252	268	756	804
Total segments	280	293	842	880
Corporate, eliminations and other	(280)	(293)	(842)	(880)
Total consolidated – reported	$ –	$ –	$ –	$ –
Total Operating Revenues				
Wireless	$ 21,835	$ 20,399	$ 64,197	$ 59,898
Wireline	9,576	9,657	28,869	28,912
Total segments	31,411	30,056	93,066	88,810
Reconciling items	175	223	821	675
Total consolidated - reported	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Operating Income				
Wireless	$ 6,955	$ 6,886	$ 21,258	$ 19,768
Wireline	225	147	619	216
Total segments	7,180	7,033	21,877	19,984
Reconciling items	(290)	95	(142)	(79)
Total consolidated – reported	$ 6,890	$ 7,128	$ 21,735	$ 19,905

(dollars in millions)	At September 30, 2014	At December 31, 2013
Assets		
Wireless	$ 158,443	$ 146,429
Wireline	80,135	84,573
Total segments	238,578	231,002
Corporate eliminations and other	(12,285)	43,096
Total consolidated – reported	$ 226,293	$ 274,098

Corporate eliminations and other at December 31 2013 is primarily comprised of cash and cash equivalents which were used to complete the Wireless Transaction on February 21, 2014

A reconciliation of the segment operating revenues to consolidated operating revenues is as follows

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Total segment operating revenues	$ 31,411	$ 30,056	$ 93,066	$ 88,810
Impact of divested operations (Note 2)	–	157	256	466
Corporate, eliminations and other	175	66	565	209
Total consolidated operating revenues	$ 31,586	$ 30,279	$ 93,887	$ 89,485

A reconciliation of the total of the reportable segments' operating income to consolidated income before provision for income taxes is as follows

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Total segment operating income	$ 7,180	$ 7,033	$ 21,877	$ 19,984
Gain on spectrum license transactions (Note 2)	–	278	707	278
Pension remeasurement (Note 8)	–	–	–	237
Impact of divested operations (Note 2)	–	8	12	26
Corporate eliminations and other	(290)	(141)	(561)	(620)
Total consolidated operating income	6,890	7,128	21,735	19,905
Equity in earnings (losses) of unconsolidated businesses	(48)	39	1,811	114
Other income and (expense), net	71	20	(757)	84
Interest expense	(1,255)	(555)	(3,633)	(1,606)
Income Before Provision For Income Taxes	$ 5,658	$ 6,632	$ 19,156	$ 18,517

We generally account for intersegment sales of products and services and asset transfers at current market prices No single customer accounted for more than 10% of our total operating revenues during the three and nine months ended September 30 2014 and 2013

11 Commitments and Contingencies

In the ordinary course of business Verizon is involved in various commercial litigation and regulatory proceedings at the state and federal level Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter the Company establishes an accrual In none of the currently pending matters is the amount of accrual material An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings including (1) uncertain damage theories and demands (2) a less than complete factual record (3) uncertainty concerning legal theories and their resolution by courts or regulators and (4) the unpredictable nature of the opposing party and its demands We continuously monitor these proceedings as

they develop and adjust any accrual or disclosure as needed We do not expect that the ultimate resolution of any pending regulatory or legal matter in future periods, including the Hicksville matter described below, will have a material effect on our financial condition, but it could have a material effect on our results of operations for a given reporting period

During 2003 under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Verizon is currently involved in approximately 50 federal district court actions alleging that Verizon is infringing various patents Most of these cases are brought by non-practicing entities and effectively seek only monetary damages, a small number are brought by companies that have sold products and seek injunctive relief as well These cases have progressed to various stages and a small number may go to trial in the coming 12 months if they are not otherwise resolved

In connection with the execution of agreements for the sales of businesses and investments Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters such as ownership of the securities being sold as well as indemnity from certain financial losses From time to time counterparties may make claims under these provisions and Verizon will seek to defend against these claims and resolve them in the ordinary course of business

Subsequent to the sale of Verizon Information Services Canada in 2004, we continue to provide a guarantee to publish directories, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions) The pre-existing guarantee continues without modification, despite the subsequent sale of Verizon Information Services Canada and the spin-off of our domestic print and Internet yellow pages directories business The possible financial impact of the guarantee, which is not expected to be adverse, cannot be reasonably estimated as a variety of the potential outcomes available under the guarantee result in costs and revenues or benefits that may offset each other We do not believe performance under the guarantee is likely

Verizon Communications Inc. (Verizon or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies. With a presence in over 150 countries around the world, we offer voice, data and video services and solutions on our wireless and wireline networks that are designed to meet customers' demand for mobility, reliable network connectivity, security and control. We have two reportable segments, Wireless and Wireline. Our wireless business, operating as Verizon Wireless, provides voice and data services and equipment sales across the United States using one of the most extensive and reliable wireless networks. Our wireline business provides consumer, business and government customers with communications products and services, including broadband data and video services, network access, voice, long distance and other communications products and services, and also owns and operates one of the most expansive end-to-end global Internet Protocol (IP) networks. We have a highly skilled, diverse and dedicated workforce of approximately 178,500 employees as of September 30, 2014.

In recent years, Verizon has embarked upon a strategic transformation as advances in technology have changed the ways that our customers interact in their personal and professional lives and that businesses operate. To meet the changing needs of our customers and address the changing technological landscape, we are focusing our efforts around higher margin and growing areas of our business: wireless data, wireline data and Strategic services, including cloud computing services.

Our strategy requires significant capital investments primarily to acquire wireless spectrum, put the spectrum into service, provide additional capacity for growth in our wireless and wireline networks, invest in the fiber optic network that supports our wireless and wireline businesses, maintain our wireless and wireline networks and develop and maintain significant advanced information technology systems and data system capabilities. We believe that steady and consistent investments in networks and platforms will drive innovative products and services and fuel our growth. Our wireless and wireline networks will continue to be the hallmark of our brand and provide the fundamental strength upon which we build our competitive advantage.

On February 21, 2014, we completed the acquisition of Vodafone Group Plc's (Vodafone) indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless for aggregate consideration of approximately $130 billion (the Wireless Transaction). The consideration paid was primarily comprised of cash of approximately $58.89 billion and Verizon common stock with a value of approximately $61.3 billion. See "Acquisitions and Divestitures" for additional information.

In our Wireless business, during the three months ended September 30, 2014 compared to the similar period in 2013, revenue growth of 7.0% was driven by service revenue growth of 4.8% as the demand for fourth-generation (4G) Long-Term Evolution (LTE) smartphones and tablets continues. Also contributing to the increase in Wireless revenue was equipment revenue growth of 28.9% driven by higher sales of equipment under both the traditional subsidy model and Verizon Edge. At September 30, 2014, retail postpaid connections were 5.2% higher than at September 30, 2013, with smartphones representing 77% of our retail postpaid phone base at September 30, 2014 compared to 67% at September 30, 2013. Also during the three months ended September 30, 2014, postpaid smartphone activations represented 91% of phones activated compared to 85% in the similar period in 2013.

Now that we have substantially completed the deployment of our 4G LTE network, we are focusing the capital spending in our Wireless business on adding capacity and density to our existing 4G LTE network. Our 4G LTE network is available to approximately 98% of the U.S. population in more than 500 markets and covering approximately 308 million people, including those in areas served by our LTE in Rural America partners. Our 4G LTE network provides higher data throughput performance for data services at lower cost compared to those provided via third-generation (3G) networks. In May 2014, we announced the deployment of Advanced Wireless Services (AWS) spectrum in our 4G LTE network. This additional bandwidth, which we refer to as XLTE, provides additional network capacity and is currently available in more than 400 markets. Nearly all of the devices Verizon Wireless currently sells can operate on XLTE. Nearly 79% of our total data traffic in September 2014 was carried on our 4G LTE network.

On February 13, 2014, we introduced our More Everything ® plans which replaced our Share Everything ® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among multiple devices connected to the Verizon Wireless network. As of September 30, 2014, More Everything accounts represented approximately 57% of our retail postpaid accounts compared to Share Everything plans representing approximately 41% of our retail postpaid accounts as of September 30, 2013. Verizon Wireless offers shared data plans for business, with More Everything plans for Small business and the Nationwide Business Data Packages and Plans.

In our Wireline business, revenues declined 0.8% during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to revenue declines in Global Enterprise Core and Global Wholesale. These decreases were partially offset by revenue increases in Consumer retail driven by FiOS. FiOS represented approximately 76% of Consumer retail revenue during the three months ended September 30, 2014 compared to approximately 71% during the similar period in 2013. As the penetration of FiOS products increases, we continue to seek ways to increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are developed for this high-speed service, we expect that FiOS will become a hub for managing multiple home services that will eventually be part of the digital grid, including not just entertainment and communications but also machine-to-machine communications such as home monitoring, health monitoring, energy management and utilities management.

We continue to enrich the customer value proposition and drive investment returns by creating new and innovative services on our FiOS platform. During 2014, Verizon announced the introduction of FiOS Quantum TV, which provides FiOS TV customers with new features including the ability to record up to 12 shows at once and control live TV from any room in their home. This new service is now available everywhere that FiOS TV is offered. With our FiOS Quantum broadband service, residential and small business customers can achieve symmetrical upload and download speeds up to 500 megabytes per second, which we refer to as SpeedMatch ™.

Also in our Wireline business, total Global Enterprise and Global Wholesale revenues decreased due to declines in core services primarily as a result of lower voice services and data networking revenues as well as the contraction of market rates due to competition. To compensate for the shrinking market for traditional voice service, we continue to build our Wireline segment around data, video and advanced business services – areas where demand for reliable, high-speed connections is growing. During the three months ended September 30, 2014, Strategic services revenues totaled $2.7 billion and represented 61% of total Global Enterprise revenues.

We are investing in innovative technology like wireless networks, high-speed fiber and cloud services to position ourselves at the center of growth trends of the future. During the nine months ended September 30, 2014, these investments included capital expenditures of $12.6 billion, acquisitions of wireless licenses of $0.3 billion and businesses of $0.2 billion. During the nine months ended September 30, 2014, we also completed spectrum license transactions and, as a result, we received proceeds of $2.4 billion. See "Cash Flows Used in Investing Activities" and "Acquisitions and Divestitures" for additional information.

By investing in our own capabilities, we are also investing in the markets we serve by providing our communities with an efficient, reliable infrastructure for competing in the information economy. We are committed to putting our customers first and being a responsible member of our communities. Guided by this commitment and by our core values of integrity, respect, performance excellence and accountability, we believe we are well-positioned to produce a long-term return for our shareowners, create meaningful work for ourselves and provide something of lasting value for society.

Trends

We expect the activation of devices on Verizon Edge to contribute positively to our consolidated operating income and our Wireless segment operating income. As more customers adopt Verizon Edge, we expect retail postpaid ARPA (the average revenue per account from retail postpaid accounts) and service revenue to continue to be negatively impacted, and we expect equipment and other revenue to continue to be positively impacted.

There have been no significant changes to the information related to trends affecting our business that was disclosed in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013, except to the extent described above.

In this section, we discuss our overall results of operations and highlight items of a non-operational nature that are not included in our segment results. We have two reportable segments: Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. In "Segment Results of Operations," we review the performance of our two reportable segments.

On February 21, 2014, we completed the acquisition of Vodafone's indirect 45% interest in Verizon Wireless. As a result, our results reflect our 55% ownership of Verizon Wireless through the closing of the Wireless Transaction and reflect our full ownership of Verizon Wireless from the closing of the Wireless Transaction through September 30, 2014.

Corporate, eliminations and other includes unallocated corporate expenses such as certain pension and other employee benefit related costs, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, lease financing, as well as the historical results of divested operations and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance. We believe that this presentation assists users of our financial statements in better understanding our results of operations and trends from period to period. Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other. The impact of this reclassification was not material to our condensed consolidated financial statements or our segment results of operations.

On July 1, 2014, our Wireline segment divested a non-strategic business (see "Acquisitions and Divestitures"). Accordingly, the historical Wireline results for these operations, which were not material to our condensed consolidated financial statements or our segment results of operations, have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results. The results of operations related to this divestiture included within Corporate, eliminations and other are as follows:

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Impact of Divested Operations				
Operating revenues	$ –	$ 157	$ 256	$ 466
Cost of services and sales	–	142	239	423
Selling, general and administrative expense	–	7	5	17

Consolidated Revenues

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	Increase/ (Decrease)	
Wireless								
Service revenue	$ 18,386	$ 17,536	$ 850	4.8%	$ 54,421	$ 51,322	$ 3,099	6.0%
Equipment and other	3,479	2,883	596	20.7	9,776	8,576	1,200	14.0
Total	21,865	20,419	1,446	7.0	64,197	59,898	4,299	7.2
Wireline								
Mass Markets	4,518	4,374	144	3.2	13,464	12,932	532	4.1
Global Enterprise	3,384	3,539	(155)	(4.4)	10,313	10,649	(336)	(3.2)
Global Wholesale	1,552	1,631	(79)	(4.8)	4,713	4,992	(279)	(5.6)
Other	125	113	12	10.6	379	339	40	11.8
Total	9,579	9,657	(78)	(0.8)	28,869	28,912	(43)	(0.1)
Corporate, eliminations and other	175	223	(48)	(21.5)	821	675	146	21.6
Consolidated Revenues	$ 31,586	$ 30,279	$ 1,307	4.3	$ 93,887	$ 89,485	$ 4,402	4.9

The increase in consolidated revenues during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily due to higher revenues at Wireless as well as higher Mass Markets revenues driven by FiOS services at our Wireline segment. Partially offsetting these increases were lower Global Enterprise and Global Wholesale revenues at our Wireline segment.

Wireless revenues increased $1.4 billion or 7.0%, and $4.3 billion or 7.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 due to growth in service revenue and equipment and other revenue. The increase in service revenue during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of 4G LTE smartphones and tablets through our More Everything plans. Equipment and other revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in equipment sales driven by sales of equipment under both the traditional subsidy model and Verizon Edge. During the three and nine months ended September 30, 2014, retail postpaid connection net additions increased compared to the similar periods in 2013 primarily due to an increase in retail postpaid connection gross additions, partially offset by an increase in our retail postpaid connection churn rate. Retail postpaid connections per account increased as of September 30, 2014 compared to September 30, 2013 primarily due to the increased penetration of tablets.

Wireline's revenues decreased 0.8% and 0.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of declines in Global Enterprise Core and Global Wholesale, partially offset by higher Mass Market revenues driven by FiOS services. During the nine months ended September 30, 2014, the decrease in Wireline's revenues was also partially offset by increased Strategic service revenues within Global Enterprise.

Mass Markets revenues increased $0.1 billion or 3.2%, and $0.5 billion or 4.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the expansion of FiOS services (Voice, Internet and Video), including our FiOS Quantum offerings, as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased $0.2 billion or 4.4% and $0.3 billion or 3.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to lower voice services and data networking revenues, the contraction of market rates due to competition and a decline in Core customer premise equipment revenues. This decrease during the nine months ended September 30, 2014 was partially offset by increases in Strategic services revenues, primarily due to increases in our application services, such as our cloud and data center offerings.

Global Wholesale revenues decreased $0.1 billion or 4.8%, and $0.3 billion or 5.6%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline in traditional voice revenues and a decline in domestic wholesale connections, partially offset by Ethernet migrations from core customers as well as continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities.

Consolidated Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 12,252	$ 10,960	$ 1,292	11.8%	$ 35,528	$ 32,925	$ 2,603	7.9%
Selling, general and administrative expense	8,277	8,037	240	3.0	24,159	24,232	(73)	(0.3)
Depreciation and amortization expense	4,167	4,154	13	0.3	12,465	12,423	42	0.3
Consolidated Operating Expenses	$ 24,696	$ 23,151	$ 1,545	6.7	$ 72,152	$ 69,580	$ 2,572	3.7

Cost of Services and Sales

Cost of services and sales increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in cost of equipment sales of $1.4 billion and $2.7 billion, respectively, at our Wireless segment as a result of an increase in the number of devices sold.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to gains recorded during the third quarter of 2013 related to the completion of wireless license transactions. Partially offsetting this increase was a decline in sales commission expense at our Wireless segment.

Selling, general and administrative expense decreased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to larger gains recorded during 2014 related to the completion of wireless license transactions, as compared to gains recorded during 2013 related to the completion of wireless license transactions, partially offset by a pension remeasurement credit recorded during 2013.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in net depreciable assets at our Wireless segment.

Non-operational Credits

Non-operational credits included in operating expenses were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Gain on spectrum license transactions	$ -	$ 278	$ 707	$ 278
Pension remeasurement	-	-	-	237

See "Other Items" for a description of non-operational items.

Consolidated Operating Income and EBITDA

Consolidated earnings before interest, taxes, depreciation and amortization expenses (Consolidated EBITDA) and Consolidated Adjusted EBITDA, which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in earnings (losses) of unconsolidated businesses and other income and (expense), net to net income.

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items and the impact of divested operations from the calculation of Consolidated EBITDA. Management believes that this measure provides additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. See "Other Items" for additional details regarding these non-operational items.

Operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates will be updated in the fourth quarter or upon a remeasurement event to reflect actual return on plan assets and updated actuarial assumptions. The adjustment will be recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses. These remeasurements could result in significant charges or credits to one or more of our pension plans.

During the second quarter of 2013, we recorded pension remeasurements in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur. During the third quarter of 2013, as a result of the previously recorded settlements, we performed a pension remeasurement, which was not material.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Consolidated Operating Income	$ 6,890	$ 7,128	$ 21,735	$ 19,905
Add Depreciation and amortization expense	4,167	4,154	12,465	12,423
Consolidated EBITDA	$ 11,057	$ 11,282	$ 34,200	$ 32,328
Less Gain on spectrum license transactions	-	(278)	(707)	(278)
Less Pension remeasurement	-	-	-	(237)
Less Impact of divested operations	-	(8)	(12)	(26)
Consolidated Adjusted EBITDA	$ 11,057	$ 10,996	$ 33,481	$ 31,787

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were a result of the factors described in connection with operating revenues and operating expenses.

Other Consolidated Results

Equity in Earnings (Losses) of Unconsolidated Businesses

Equity in earnings (losses) of unconsolidated businesses decreased $0.1 billion during the three months ended September 30, 2014, compared to the similar period in 2013, primarily due to the sale of our interest in Vodafone Omnitel N.V. (Vodafone Omnitel) during the first quarter of 2014, which was part of the consideration for the Wireless Transaction.

Equity in earnings (losses) of unconsolidated businesses increased $1.7 billion during the nine months ended September 30, 2014 compared to the similar period in 2013, primarily due to the gain of $1.9 billion recorded on the sale of our interest in Vodafone Omnitel during the first quarter of 2014.

Other Income and (Expense), Net

Additional information relating to Other income and (expense), net is as follows:

	Three Months Ended September 30,		Increase/		Nine Months Ended September 30,		Increase/	
(dollars in millions)	2014	2013	(Decrease)		2014	2013	(Decrease)	
Interest income	$ 28	$ 14	$ 14	100.0%	$ 72	$ 41	$ 31	75.6%
Other, net	43	6	37	nm	(829)	43	(872)	nm
Total	$ 71	$ 20	$ 51	nm	$ (757)	$ 84	$ (841)	nm

nm – not meaningful

Other income and (expense), net decreased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to net early debt redemption costs of $0.9 billion recorded during the first quarter of 2014 (see "Other Items").

Interest Expense

	Three Months Ended September 30,		Increase/		Nine Months Ended September 30,		Increase/	
(dollars in millions)	2014	2013	(Decrease)		2014	2013	(Decrease)	
Total interest costs on debt balances	$ 1,331	$ 745	$ 586	78.7%	$ 3,957	$ 2,159	$ 1,798	83.3%
Less capitalized interest costs	76	190	(114)	(60.0)	324	553	(229)	(41.4)
Total	$ 1,255	$ 555	$ 700	nm	$ 3,633	$ 1,606	$ 2,027	nm
Average debt outstanding	$ 109,503	$ 56,636			$ 107,034	$ 54,524		
Effective interest rate	4.9%	5.3%			4.9%	5.3%		

nm – not meaningful

Total interest costs on debt balances increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the issuance of fixed and floating rate notes to finance the Wireless Transaction (see "Acquisitions and Divestitures") resulting in an increase in average debt and a corresponding increase in interest expense, partially offset by a lower effective interest rate (see "Consolidated Financial Condition"). Capitalized interest costs were lower during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decrease in wireless licenses that are currently under development.

Provision for Income Taxes

	Three Months Ended September 30,		Increase/		Nine Months Ended September 30,		Increase/	
(dollars in millions)	2014	2013	(Decrease)		2014	2013	(Decrease)	
Provision for income taxes	$ 1,864	$ 1,034	$ 830	80.3%	$ 5,052	$ 2,886	$ 2,166	75.1%
Effective income tax rate	32.9%	15.6%			26.4%	15.6%		

The effective income tax rate is calculated by dividing the provision for income taxes by income before the provision for income taxes. As a result of the completion of the Wireless Transaction, the difference in the effective income tax rate as compared to the statutory federal income tax rate will no longer be significant due to the inclusion of income within our income before the provision for income taxes that was previously attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership. Prior to the completion of the Wireless Transaction, our annual effective income tax rate was significantly lower than the statutory federal income tax rate due to the inclusion of income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership within our income before the provision for income taxes, which resulted in our effective income tax rate being 16.1 and 15.4 percentage points lower during the three and nine months ended September 30, 2013, respectively.

The increase in the provision for income taxes and the effective income tax rate during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 is primarily due to increased income taxes on the incremental income included in Verizon's post-acquisition income before the provision for income taxes resulting from the acquisition of Vodafone's indirect 45% interest in Verizon Wireless on February 21, 2014. The increase during the nine months ended September 30, 2014 compared to the similar period in 2013 was partially offset by the utilization of certain tax credits in the current period.

Unrecognized Tax Benefits

Unrecognized tax benefits were $1.8 billion at September 30, 2014 and $2.1 billion at December 31, 2013. Interest and penalties related to unrecognized tax benefits were $0.2 billion (after-tax) and $0.3 billion (after-tax) at September 30, 2014 and December 31, 2013, respectively. The decrease in unrecognized tax benefits was primarily due to the resolution of issues with the Internal Revenue Service (IRS) involving tax years 2007 through 2009, partially offset by an increase in unrecognized tax benefits related to the acquisition of Vodafone's indirect 45% interest in Verizon Wireless. The uncertain tax benefits related to the acquisition of Vodafone's indirect 45% interest in Verizon Wireless concern pre-acquisition tax controversies and are the subject of an indemnity from Vodafone for which a corresponding indemnity asset has been established.

Verizon and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state, local and foreign jurisdictions. As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions for various open tax years. Significant tax examinations and litigation are ongoing in New York City for tax years as early as 2000. It is reasonably possible that the amount of the liability for unrecognized tax benefits could change by a significant amount in the next twelve months. An estimate of the range of the possible change cannot be made until these tax matters are further developed or resolved.

Net Income Attributable to Noncontrolling Interests

	Three Months Ended September 30,		Increase/		Nine Months Ended September 30,		Increase/	
(dollars in millions)	2014	2013	(Decrease)		2014	2013	(Decrease)	
Net income attributable to noncontrolling interests	$ 99	$ 3,346	$ (3,247)	(97.0)%	$ 2,248	$ 9,201	$ (6,953)	(75.6)%

The decrease in Net income attributable to noncontrolling interests during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily due to the completion of the Wireless Transaction on February 21, 2014. As a result, our results reflect our 55% ownership of Verizon Wireless through the closing of the Wireless Transaction and reflect our full ownership of Verizon Wireless from the closing of the Wireless Transaction through September 30, 2014. The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnership entities.

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income. The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance.

Segment earnings before interest, taxes, depreciation and amortization (Segment EBITDA), which is presented below, is a non-GAAP measure and does not purport to be an alternative to operating income as a measure of operating performance. Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income.

Wireless Segment EBITDA service margin, also presented below, is calculated by dividing Wireless Segment EBITDA by Wireless service revenues. Wireless Segment EBITDA service margin utilizes service revenues rather than total revenues. Service revenues primarily exclude equipment revenues in order to reflect the impact of providing service to the wireless customer base on an ongoing basis. Wireline EBITDA margin is calculated by dividing Wireline EBITDA by total Wireline revenues.

Wireless

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership was formed as a joint venture in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. Prior to the completion of the Wireless Transaction, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, the Wireless Transaction was completed and Verizon acquired 100% ownership of Verizon Wireless. Verizon Wireless provides wireless communications services across one of the most extensive wireless networks in the United States.

We provide these services and equipment sales to consumer, business and government customers in the United States on a postpaid and prepaid basis. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance, and usage beyond the allowances is billed monthly in arrears. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

Operating Revenues and Selected Operating Statistics

	Three Months Ended September 30,		Increase/		Nine Months Ended September 30,		Increase/	
(dollars in millions except ARPA)	2014	2013	(Decrease)		2014	2013	(Decrease)	
Retail service	$ 17,526	$ 16,776	$ 750	4.6%	$ 52,090	$ 49,367	$ 2,723	5.5%
Other service	809	740	69	8.1	2,331	1,955	376	19.2
Service revenue	18,356	17,516	840	4.8	54,421	51,322	3,099	6.0
Equipment	2,480	1,924	556	28.9	6,737	5,690	1,047	18.4
Other	999	959	40	4.2	3,039	2,886	153	5.3
Equipment and other	3,479	2,883	596	20.7	9,776	8,576	1,200	14.0
Total Operating Revenues	$ 21,835	$ 20,399	$ 1,436	7.0	$ 64,197	$ 59,898	$ 4,299	7.2
Connections (000) [a]								
Retail connections					106,156	101,150	5,006	4.9
Retail postpaid connections					100,203	95,285	4,918	5.2
Net additions in period (000) [b]								
Retail connections	1,525	1,061	464	43.7	5,981	2,819	682	24.2
Retail postpaid connections	1,516	927	589	63.5	3,496	2,545	951	37.4
Churn Rate								
Retail connections	1.29%	1.28%			1.30%	1.27%		
Retail postpaid connections	1.00%	0.97%			1.00%	0.97%		
Account Statistics								
Retail postpaid ARPA	$ 161.24	$ 155.74	$ 5.50	3.5	$ 160.21	$ 152.84	$ 7.37	4.8
Retail postpaid accounts (000) [a]					35,435	34,972	463	1.3
Retail postpaid connections per account [a]					2.82	2.72	0.10	3.7

[a] As of end of period.
[b] Excluding acquisitions and adjustments.

Wireless total operating revenues increased by $1.4 billion or 7.0%, and $4.3 billion or 7.2% respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of growth in service revenue and equipment revenue.

Accounts and Connections

Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Accounts include More Everything plans and corporate accounts, as well as legacy single connection plans and family plans. A single account may receive monthly wireless services for a variety of connected devices. Retail connections represent our retail customer device connections. Churn is the rate at which service to connections is terminated.

Retail connections under an account may include smartphones, basic phones, tablets and other Internet devices as well as Home Phone Connect and Home Fusion. We expect to continue to experience retail connection growth based on network service quality and the strength of our product offerings. Retail postpaid connection net additions increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in retail postpaid connection gross additions, partially offset by an increase in our retail postpaid connection churn rate. Higher retail postpaid connection gross additions were driven by gross additions of tablets as well as smartphones. During the three and nine months ended September 30, 2014, our retail postpaid connection net additions included approximately 1,074 million and 2,858 million tablets, respectively, as compared to 246 thousand and 824 thousand tablets, respectively, in the similar periods in 2013.

Retail Postpaid Connections per Account

Retail postpaid connections per account is calculated by dividing the total number of retail postpaid connections by the number of retail postpaid accounts as of the end of the period. Retail postpaid connections per account increased 3.7% as of September 30, 2014 compared to September 30, 2013, primarily due to the increased penetration of tablets.

Service Revenue

Service revenue increased by $0.6 billion or 4.8%, and $3.1 billion or 6.0% respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of 4G LTE smartphones and tablets through our More Everything plans. The penetration of 4G LTE smartphones was driven by the activation of smartphones by new customers as well as existing customers migrating from basic phones and 3G smartphones to 4G LTE smartphones.

The increase in retail postpaid ARPA, which excludes recurring equipment installment billings related to Verizon Edge, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. As of September 30, 2014, we experienced a 3.7% increase in retail postpaid connections per account, compared to September 30, 2013, with smartphones representing 77% of our retail postpaid phone base as of September 30, 2014 compared to 67% as of September 30, 2013. The increased penetration in retail postpaid connections per account is primarily due to increases in Internet data devices, which represented 13.1% of our retail postpaid connection base as of September 30, 2014 compared to 10.2% as of September 30, 2013, primarily due to tablet activations. Additionally, during the nine months ended September 30, 2014, postpaid smartphone activations represented 91% of phones activated compared to 85% in the similar period in 2013.

Other service revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 due to growth in wholesale connections.

Equipment and Other Revenue

Equipment and other revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in equipment sales, driven by sales of equipment under both the traditional subsidy model and Verizon Edge.

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 7,043	$ 5,652	$ 1,391	24.6%	$ 19,641	$ 17,102	$ 2,539	14.8%
Selling, general and administrative expense	5,698	5,801	(103)	(1.8)	16,991	16,915	76	0.4
Depreciation and amortization expense	2,139	2,060	79	3.8	6,307	6,113	194	3.2
Total Operating Expenses	$ 14,880	$ 13,513	$ 1,367	10.1	$ 42,939	$ 40,130	$ 2,809	7.0

Cost of Services and Sales

Cost of services and sales increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in cost of equipment sales of $1.4 billion and $2.7 billion, respectively, as a result of an increase in the number of devices sold. The increase for the nine months ended September 30, 2014 was also due to an increase in cost of network services, partially offset by a decrease in cost of data services and decreased data roaming.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to a decline of $0.1 billion in sales commission expense largely driven by the adoption of Verizon Edge.

Selling, general and administrative expense increased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to higher advertising expense and gains recorded in the first quarter of 2013 related to wireless license exchange agreements, partially offset by lower salary expense and a decline of $0.2 billion in sales commission expense.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily driven by an increase in net depreciable assets.

Segment Operating Income and EBITDA

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Segment Operating Income	$ 6,955	$ 6,886	$ 69	1.0%	$ 21,258	$ 19,768	$ 1,490	7.5%
Add Depreciation and amortization expense	2,139	2,060	79	3.8	6,307	6,113	194	3.2
Segment EBITDA	$ 9,094	$ 8,946	$ 148	1.7	$ 27,565	$ 25,881	$ 1,684	6.5
Segment operating income margin	31.9%	33.8%			33.1%	33.0%		
Segment EBITDA service margin	49.5%	51.1%			50.7%	50.4%		

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-operational items excluded from our Wireless segment Operating income were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Gain on spectrum license transactions	$ –	$ 278	$ 707	$ 278

Wireline

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

On July 1, 2014, our Wireline segment divested a non-strategic business (see "Acquisitions and Divestitures"). Accordingly, the historical Wireline results for these operations have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results.

Operating Revenues and Selected Operating Statistics

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Consumer retail	$ 3,902	$ 3,735	$ 167	4.5%	$ 11,606	$ 11,020	$ 586	5.3%
Small business	613	639	(26)	(4.1)	1,858	1,912	(54)	(2.8)
Mass Markets	4,515	4,374	141	3.2	13,464	12,932	532	4.1
Strategic services	2,068	2,048	20	1.0	6,214	6,059	155	2.6
Core	1,316	1,491	(175)	(11.7)	4,099	4,590	(491)	(10.7)
Global Enterprise	3,384	3,539	(155)	(4.4)	10,313	10,649	(336)	(3.2)
Global Wholesale	1,552	1,631	(79)	(4.8)	4,713	4,992	(279)	(5.6)
Other	125	113	12	10.6	379	339	40	11.8
Total Operating Revenues	$ 9,576	$ 9,657	$ (81)	(0.8)	$ 28,869	$ 28,912	$ (43)	(0.1)
Connections (000) (a)								
Total voice connections					20,089	21,457	(1,368)	(6.4)
Total Broadband connections					9,146	8,995	151	1.7
FiOS Internet subscribers					6,471	5,946	525	8.8
FiOS Video subscribers					5,533	5,170	363	7.0

(a) As of end of period

Wireline's revenues decreased 0.8% and 0.1% respectively during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of declines in Global Enterprise Core and Global Wholesale, partially offset by higher Consumer retail revenues driven by FiOS services. During the nine months ended September 30, 2014, the decrease in Wireline's revenues was also partially offset by increased Strategic services revenues within Global Enterprise.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers.

Mass Markets revenues increased $0.1 billion or 3.2% and $0.5 billion or 4.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the expansion of FiOS services (Voice, Internet and Video), including our FiOS Quantum offerings, as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues. FiOS represented approximately 70% and 75%, respectively, of Consumer retail revenue during the three and nine months ended September 30, 2014 compared to approximately 71% and 70%, respectively, during the similar periods in 2013.

Since October 1 2013 we grew our subscriber base by 0 5 million FiOS Internet subscribers and 0 4 million FiOS Video subscribers, while also consistently improving penetration rates within our FiOS service areas As of September 30 2014 we achieved penetration rates of 40 6% and 35 5% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 39 2% and 34 9% for FiOS Internet and FiOS Video, respectively, as of September 30, 2013

The increase in Mass Markets revenues was partially offset by the decline of local exchange revenues This decline was primarily due to a 5 9% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless and competing voice over IP, broadband and cable services Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections There was also a decline in Small business retail voice connections primarily reflecting competition and a shift to both IP and high-speed circuits

Global Enterprise

Global Enterprise offers Strategic services including network products and solutions, advanced communications services, and other core communications services to medium and large business customers, multinational corporations and state and federal government customers

Global Enterprise revenues decreased $0 2 billion or 4 4%, and $0 3 billion or 3 2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline of $0 1 billion or 11 9%, and $0 4 billion or 11 5%, respectively, related to lower voice services and data networking revenues, which consist of traditional circuit-based services such as frame relay private line and legacy voice and data services These core services declined compared to the similar periods in 2013 as our customer base continued to migrate to next generation IP services Also contributing to the decrease was the contraction of market rates due to competition and a decline in Core customer premise equipment revenues The decrease during the nine months ended September 30 2014 compared to the similar period in 2013 was partially offset by an increase in Strategic services revenues of $0 2 billion, or 2 6%, primarily due to increases in our application services, such as our cloud and data center offerings

Global Wholesale

Global Wholesale provides communications services including data, voice and local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers

Global Wholesale revenues decreased $0 1 billion or 4 8% and $0 3 billion or 5 6%, respectively, during the three and nine months ended September 30 2014 compared to the similar periods in 2013 primarily due to a decline in traditional voice revenues and a 6 5% decline in domestic wholesale connections as of September 30 2014 compared to September 30, 2013 The traditional voice revenue declines are primarily due to a decrease in minutes of use and the effect of technology substitution Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition Partially offsetting *the overall decrease in wholesale revenues were Ethernet migrations from core customers as well as continuing demand for high-*speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities As a result of the customer migrations, at September 30, 2014, the number of core data circuits experienced a 13 7% decline compared to September 30, 2013

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 5,325	$ 5,342	$ (17)	(0.3)%	$ 16,006	$ 15,925	$ 81	0.5%
Selling, general and administrative expense	2,048	2,094	(46)	(2 2)	6,228	6,517	(289)	(4 4)
Depreciation and amortization expense	1,978	2,074	(96)	(4 6)	6,016	6,254	(238)	(3 8)
Total Operating Expenses	$ 9,351	$ 9,510	$ (159)	(1 7)	$ 28,250	$ 28,696	$ (446)	(1 6)

Cost of Services and Sales

During the three months ended September 30, 2014, Cost of services and sales decreased compared to the similar period in 2013 *primarily due to a decrease in employee costs and a decline in access costs, driven by declines in overall wholesale long distance* volumes, which were partially offset by an increase in content costs of $0 1 billion associated with continued FiOS subscriber growth and programming license fee increases

During the nine months ended September 30 2014 Cost of services and sales increased compared to the similar period in 2013 primarily due to an increase in content costs of $0 3 billion associated with continued FiOS subscriber growth and programming license fee increases, partially offset by a decline in employee costs and access costs, driven by declines in overall wholesale long distance volumes

Selling, General and Administrative Expense

During the three months ended September 30 2014 Selling general and administrative expense was consistent with the similar period in 2013 During the nine months ended September 30, 2014, Selling, general and administrative expense decreased compared to the similar period in 2013 primarily due to declines in employee costs, primarily as a result of lower headcount This decrease was partially offset by higher regulatory expenses

Depreciation and Amortization Expense

During the three and nine months ended September 30, 2014, Depreciation and amortization expense decreased compared to the similar periods in 2013 primarily due to a decrease in net depreciable assets

Segment Operating Income and EBITDA

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Segment Operating Income	$ 225	$ 147	$ 78	53 1%	$ 619	$ 216	$ 403	nm
Add Depreciation and amortization expense	1,978	2,074	(96)	(4 6)	6,016	6,254	(238)	(3 8)%
Segment EBITDA	$ 2,203	$ 2,221	$ (18)	(0 8)	$ 6,635	$ 6,470	$ 165	2 6
Segment operating income margin	2 3%	1 5%			2 1%	0 7%		
Segment EBITDA margin	23 0%	23 0%			23 0%	22 4%		

nm - not meaningful

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were primarily a result of the factors described in connection with operating revenues and operating expenses

Non-operational items excluded from our Wireline segment Operating income were as follows

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Impact of divested operations	$ –	$ 8	$ 12	$ 26

Gain on Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA, Inc (T-Mobile USA) to exchange certain AWS and Personal Communication Services (PCS) licenses The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands As a result of these exchanges, we received $0 9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2 4 billion and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses As a result, we received $1 6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0 7 billion in Selling general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014

During the third quarter of 2013, after receiving the required regulatory approvals Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T Inc (AT&T) in exchange for a payment of $1 9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0 2 billion As a result we received $0 5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0 3 billion in Selling, general and administrative expense on our condensed consolidated statements of income for the three and nine months ended September 30 2013

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See Consolidated Results of Operations) excludes the gain on the spectrum license transactions described above

Wireless Transaction Costs

As a result of the third-party indebtedness incurred to finance the Wireless Transaction we incurred interest expense of $0 4 billion during the nine months ended September 30, 2014 (see "Consolidated Financial Condition ") and $0 1 billion during the nine months ended September 30 2013

These amounts represent only the interest expense incurred prior to the closing of the Wireless Transaction

Impact of Divested Operations

On July 1 2014, we sold a non strategic Wireline business, which provides communications solutions to a variety of government agencies

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See Consolidated Results of Operations) excludes the historical financial results of the divested operations described above

Gain on Sale of Ommitel Interest

As a result of the sale of the Ommitel Interest on February 21 2014, which was part of the consideration for the Wireless Transaction, we recorded a gain of $1 9 billion in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income for the nine months ended September 30 2014

Early Debt Redemption Costs

During March 2014, we recorded net debt redemption costs of $0 9 billion in connection with the early redemption of $1 25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018 and the purchase of the following notes pursuant to a tender offer (the Tender Offer) $0 7 billion of the then outstanding $1 5 billion aggregate principal amount of Verizon 6 10% Notes due 2018 $0 8 billion of the then outstanding $1 5 billion aggregate principal amount of Verizon 5 50% Notes due 2016 $0 6 billion of the then outstanding $1 3 billion aggregate principal amount of Verizon 8 75%

Notes due 2018, $0 7 billion of the then outstanding $1 25 billion aggregate principal amount of Verizon 5 55% Notes due 2016, $0 4 billion of the then outstanding $0 75 billion aggregate principal amount of Verizon 5 50% Notes due 2017, $0 6 billion of the then outstanding $1 0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018, $0 2 billion of the then outstanding $0 3 billion aggregate principal amount of Alltel Corporation 7 00% Debentures due 2016 and $0.3 billion of the then outstanding $0 6 billion aggregate principal amount of GTE Corporation 6 84% Debentures due 2018

Pension Remeasurement

During the three and six months ended June 30, 2013, we recorded net pre-tax pension remeasurement credits of approximately $0 2 billion, in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur The pension remeasurement credits relate to settlements for employees who received lump-sum distributions The credits were primarily driven by an approximately 75 basis point increase in our discount rate assumption used to determine the current year liabilities of one of our pension plans The change in discount rate resulted in a gain of $0 3 billion partially offset by a loss resulting from the difference between our expected return on assets assumption of 7 5% at December 31 2012 and our annualized actual return on assets of 7 2% at June 30 2013, as well as other losses ($0 1 billion) Our weighted-average discount rate assumption increased from 4 2% at December 31 2012 to 5 0% at June 30, 2013

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the pension remeasurement described above

(dollars in millions)	Nine Months Ended September 30, 2014	2013	Change
Cash Flows Provided By (Used In)			
Operating activities	$ 23,157	$ 28,387	$ (5,230)
Investing activities	(10,430)	(10 023)	(407)
Financing activities	(59,037)	35,253	(94,290)
Increase (Decrease) In Cash and Cash Equivalents	$ (46,310)	$ 53,617	$ (99,927)

We use the net cash generated from our operations to fund network expansion and modernization, repay external financing, pay dividends and invest in new businesses Our sources of funds primarily from operations and, to the extent necessary, from external financing arrangements are sufficient to meet ongoing operating and investing requirements The cash portion of the purchase price for the Wireless Transaction was primarily funded by the incurrence of third-party indebtedness (see "Acquisitions and Divestitures") We expect that our capital spending requirements will continue to be financed primarily through internally generated funds Debt or equity financing may be needed to fund additional investments or development activities or to maintain an appropriate capital structure to ensure our financial flexibility Our cash and cash equivalents are primarily held domestically in diversified accounts and are invested to maintain principal and liquidity Accordingly we do not have significant exposure to foreign currency fluctuations See "Market Risk" for additional information regarding our foreign currency risk management strategies

Our available external financing arrangements include credit available under credit facilities and other bank lines of credit, vendor financing arrangements issuances of registered debt or equity securities and privately-placed capital market securities We may also issue short-term debt through an active commercial paper program and have an $8 billion credit facility to support such commercial paper issuances

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations, primarily from our Wireless segment Net cash provided by operating activities during the nine months ended September 30, 2014 decreased by $5 2 billion compared to the similar period in 2013 primarily due to a $3 2 billion increase in income tax payments due to the incremental income included in Verizon's income since the closing of the Wireless Transaction and the impact of bonus depreciation recorded in 2013 Also contributing to the decrease was a $2 5 billion increase in interest payments primarily due to the incremental debt needed to fund the Wireless Transaction as well as a $1 5 billion increase in pension contributions The decline was partially offset by an increase in earnings at our Wireless segment

On February 21, 2014, we completed the acquisition of Vodafone's indirect 45% interest in Verizon Wireless which, among other benefits discussed herein also provides us full access to the cash flows of Verizon Wireless Having full access to all the cash flows from our wireless business gives us the ability to continue to invest in our networks and spectrum, meet evolving customer requirements for products and services and take advantage of new growth opportunities across our lines of business

We do not expect to make any material employer contributions to our qualified pension plans in the fourth quarter of 2014

Cash Flows Used In Investing Activities

Capital Expenditures

Capital expenditures continue to be our primary use of capital resources as they facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency and productivity of our networks

Capital expenditures, including capitalized software, were as follows

(dollars in millions)	Nine Months Ended September 30, 2014	2013
Wireless	$ 7 808	$ 6 720
Wireline	4 194	4 467
Other	622	620
	$ 12,624	$ 11,807
Total as a percentage of revenue	13 4%	13 2%

The increase in capital expenditures during the nine months ended September 30 2014 compared to the similar period in 2013 was primarily due to investments to increase the capacity of our 4G LTE network partially offset by lower capital expenditures at Wireline as a result of decreased legacy spending requirements

Acquisitions

In February 2014 Verizon acquired a business dedicated to the development of IP television for cash consideration that was not significant

Dispositions

During the nine months ended September 30, 2014, we received proceeds of $2 4 billion related to spectrum license transactions and $0 1 billion related to the disposition of a non-strategic business See "Acquisitions and Divestitures" for additional information

Cash Flows Provided By (Used In) Financing Activities

We seek to maintain a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions During the nine months ended September 30, 2014 and 2013, net cash provided by (used in) financing activities was $(59 0) billion and $35 3 billion, respectively The change in cash flows used in financing activities during the nine months ended September 30, 2014 as compared to the similar period in 2013 was primarily driven by the use of $58 89 billion as part of the consideration for the Wireless Transaction See "Acquisitions and Divestitures" for additional information

During February 2014 we issued €1 75 billion aggregate principal amount of 2 375% Notes due 2022 €1 25 billion aggregate principal amount of 3 25% Notes due 2026 and €0 85 billion aggregate principal amount of 4 75% Notes due 2034 The issuance of these Notes resulted in cash proceeds of approximately $5 4 billion net of discounts and issuance costs The net proceeds were used in part to finance the Wireless Transaction Net proceeds not used to finance the Wireless Transaction were used for general corporate purposes Also, during February 2014 we issued $0 5 billion aggregate principal amount of 5 90% Notes due 2054 resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes

On March 10, 2014, we announced the commencement of the Tender Offer to purchase for cash any and all of the series of notes listed in the following table

(dollars in millions except for Purchase Price)	Interest Rate	Maturity	Principal Amount Outstanding	Purchase Price (1)	Principal Amount Purchased
Verizon Communications	6 10%	2018	$ 1 500	$ 1 170 07	$ 748
	5 50%	2018	1 500	1 146 91	763
	8 75%	2018	1 300	1,288 35	564
	5 55%	2016	1 250	1,093 62	652
	5 50%	2017	750	1 135 22	383
Cellco Partnership and Verizon Wireless Capital LLC	8 50%	2018	1,000	1 279 63	619
Alltel Corporation	7 00%	2016	300	1 125 26	157
GTE Corporation	6 84%	2018	600	1 196 85	266
					$ 4,122

(1) Per $1,000 principal amount of notes

The Tender Offer for each series of notes was subject to a financing condition, which was either satisfied or waived with respect to all series The Tender Offer expired on March 17 2014 and settled on March 19, 2014 In addition to the purchase price, any accrued and unpaid interest on the purchased notes was paid to the date of purchase. During March 2014, we recorded early debt redemption costs in connection with the Tender Offer (see "Early Debt Redemption")

During March 2014, we issued $4 5 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $4 5 billion, net of discounts and issuance costs The issuances consisted of the following $0 5 billion aggregate principal amount Floating Rate Notes due 2019 that bear interest at a rate equal to three-month LIBOR plus 0 77% which rate will be reset quarterly, $0 5 billion aggregate principal amount of 2 55% Notes due 2019, $1 0 billion aggregate principal amount of 3 45% Notes due 2021 $1 25 billion aggregate principal amount of 4 15% Notes due 2024 and $1 25 billion aggregate principal amount of 5 05% Notes due 2034 During March 2014 the net proceeds were used to purchase notes in the Tender Offer described above

During March 2014 Verizon Wireless redeemed $1 22 billion aggregate principal amount of the Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018 at 112 135% of the principal amount of such notes, plus accrued and unpaid interest (see "Early Debt Redemption") Also, during March 2014 $1 0 billion of LIBOR plus 0 63% Verizon Communications Notes and $1 5 billion of 1 95% Verizon Communications Notes matured and were repaid

During September 2014 we issued $0 9 billion aggregate principal amount of 4 8% Notes due 2044 The issuance of these Notes resulted in cash proceeds of approximately $0 9 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes Also, during September 2014, we redeemed $0 8 billion aggregate principal amount of Verizon 1 25% Notes due November 2014 and recorded an immaterial amount of early debt redemption costs

On October 22, 2014 we sold $6 5 billion aggregate principal amount of fixed rate notes, which are expected to settle on October 29 2014 We expect to receive cash proceeds of approximately $6 425 billion net of discounts and issuance costs and after reimbursement of certain expenses The sale consisted of the following $1 5 billion aggregate principal amount of 3 00% Notes due 2021 $2 5 billion aggregate principal amount of 3 50% Notes due 2024 and $2 5 billion aggregate principal amount of 4 40% Notes due 2034 The net proceeds from the offering will be used to redeem (i) in whole the following series of outstanding notes which have been called for early redemption in November 2014 Verizon 4 90% Notes due 2015 Verizon 5 55% Notes due 2016, Verizon 3 00% Notes due 2016 Verizon 5 50% Notes due 2017 Verizon 8 75% Notes due 2018 Alltel Corporation 7 00% Debentures due 2016 and Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018 and (ii) $1 0 billion aggregate principal amount of Verizon 2 50% Notes due 2016 Any proceeds not used for the redemption of these notes will be used for general corporate purposes

Verizon may continue to acquire debt securities issued by Verizon and its affiliates in the future through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as Verizon may from time to time determine for cash or other consideration.

May Exchange Offer

On May 29, 2014, we announced the commencement of a private exchange offer (the May Exchange Offer) to exchange up to all Cellco Partnership and Verizon Wireless Capital LLC's £0.6 billion outstanding aggregate principal amount of 8.875% Notes due 2018 (the 2018 Old Notes) for Verizon's new sterling-denominated Notes due 2024 (the New Notes) and an amount of cash. This exchange offer has been accounted for as a modification of debt. In connection with the May Exchange Offer, which expired on June 25, 2014, we issued £0.7 billion aggregate principal of New Notes and made a cash payment of £22 million in exchange for £0.6 billion aggregate principal amount of tendered 2018 Old Notes. The New Notes bear interest at a rate of 4.073% per annum.

Concurrent with the issuance of the New Notes, we entered into cross currency swaps to fix our future interest and principal payments in U.S. dollars (see "Market Risk").

July Exchange Offers

On July 23, 2014, we announced the commencement of eleven separate private offers to exchange (the July Exchange Offers) specified series of outstanding Notes issued by Verizon and Alltel Corporation (collectively, the Old Notes) for new Notes to be issued by Verizon. The July Exchange Offers have been accounted for as a modification of debt. On August 21, 2014, Verizon issued $2.3 billion aggregate principal amount of 2.625% Notes due 2020 (the 2020 New Notes), $4.5 billion aggregate principal amount of 4.862% Notes due 2046 (the 2046 New Notes) and $5.5 billion aggregate principal amount of 5.012% Notes due 2054 (the 2054 New Notes) in satisfaction of the exchange offer consideration on tendered Old Notes (not including accrued and unpaid interest on the Old Notes). The following tables list the series of Old Notes included in the July Exchange Offers and the principal amount of each such series accepted by Verizon for exchange.

The table below lists the series of Old Notes included in the July Exchange Offers for the 2020 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	3.65%	2018	$ 4,750	$ 2,052
	2.50%	2016	4,250	1,068
				$ 3,120

The table below lists the series of Old Notes included in the July Exchange Offers for the 2046 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.40%	2033	$ 6,000	$ 1,645
	7.75%	2030	2,000	794
	7.35%	2039	1,000	520
	7.75%	2032	400	149
Alltel Corporation	7.875%	2032	700	248
	6.80%	2029	300	65
				$ 3,421

The table below lists the series of Old Notes included in the July Exchange Offers for the 2054 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.55%	2043	$ 15,000	$ 4,330
	6.40%	2038	1,750	–
	6.90%	2038	1,250	–
				$ 4,330

Term Loan Agreement

During February 2014, we drew $6.6 billion pursuant to a term loan agreement with a group of major financial institutions to finance, in part, the Wireless Transaction. $3.3 billion of the loans under the term loan agreement had a maturity of three years (the 3-Year Loans) and $3.3 billion of the loans under the term loan agreement had a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50 to 1.00 until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

During June 2014, we issued $3.3 billion aggregate principal amount of fixed and floating rate notes, resulting in cash proceeds of approximately $3.3 billion, net of discounts and issuance costs. The issuances consisted of the following: $1.3 billion aggregate principal amount of Floating Rate Notes due 2017 that will bear interest at a rate equal to three-month LIBOR plus 0.40% which will be reset quarterly and $2.0 billion aggregate principal amount of 1.35% Notes due 2017. We used the net proceeds from the offering of these notes to repay the 3-Year Loans on June 12, 2014.

During July 2014, we amended the term loan agreement, settled the outstanding $3.3 billion of 5-Year Loans and borrowed $3.3 billion of new loans. The new loans mature in July 2019, bear interest at a lower interest rate and require lower amortization payments in 2017 and 2018. In connection with the transaction, which primarily settled on a net basis, we recorded approximately $0.5 billion of proceeds from long-term borrowings and of repayments of long-term borrowings, respectively.

Other Credit Facilities

On July 31, 2014, we amended our $6.2 billion credit facility to increase the availability to $8.0 billion and extend the maturity to July 31, 2018. At the same time, we terminated our $2.0 billion 364-day revolving credit agreement. As of September 30, 2014, the unused borrowing capacity under this credit facility was approximately $7.9 billion.

Early Debt Redemption

During March 2014, we recorded net debt redemption costs of $0.9 billion in connection with the early redemption of $1.25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and the purchase of the following notes pursuant to the Tender Offer: $0.7 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 6.10% Notes due 2018, $0.8 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 5.50% Notes due 2018, $0.6 billion of the then outstanding $1.3 billion aggregate principal amount of Verizon 8.75% Notes due 2018, $0.7 billion of the then outstanding $1.25 billion aggregate principal amount of Verizon 5.55% Notes due 2016, $0.4 billion of the then outstanding $0.75 billion aggregate principal amount of Verizon 5.50% Notes due 2017, $0.6 billion of the then outstanding $1.0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, $0.2 billion of the then outstanding $0.3 billion aggregate principal amount of Alltel Corporation 7.00% Debentures due 2016 and $0.3 billion of the then outstanding $0.6 billion aggregate principal amount of GTE Corporation 6.84% Debentures due 2018.

Other, net

The change in Other, net financing activities during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily driven by a decline in tax distributions to Vodafone pursuant to the Cellco Partnership agreement. As a result of the completion of the Wireless Transaction, the final tax distribution was made in the second quarter of 2014. Partially offsetting the decline in tax distributions to Vodafone were net early debt redemption costs of $0.9 billion.

Dividends

As in prior periods, dividend payments were a significant use of capital resources. During the third quarter of 2014, Verizon's Board of Directors increased our quarterly dividend payments by 3.8% to $.55 per share from $.53 per share in the same period in 2013. This is the eighth consecutive year that the Board has approved a quarterly dividend increase.

During the nine months ended September 30, 2014, we paid $5.7 billion in cash dividends. During the nine months ended September 30, 2013, we paid $4.4 billion in cash dividends. The increase in cash dividends is primarily due to the issuance of approximately 1.27 billion shares of Verizon common stock as part of the consideration paid to complete the Wireless Transaction.

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 8.1 million common shares issued from Treasury stock during the nine months ended September 30, 2014, which had an aggregate value of $0.4 billion.

Special Distribution

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7.0 billion. As a result, Vodafone received a cash payment of $3.15 billion and the remainder of the distribution was received by Verizon.

As a result of the completion of the Wireless Transaction on February 21, 2014, we now have full ownership of Verizon Wireless and will no longer make special distributions to Vodafone.

Common Stock

As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares of Verizon common stock.

On March 7, 2014, the Verizon Board of Directors approved a share buyback program, which authorizes the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2017. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs.

Verizon did not repurchase any shares of Verizon common stock through its authorized share buyback program during the nine months ended September 30, 2014.

Covenants

Our credit agreements contain covenants that are typical for large, investment grade companies. These covenants include requirements to pay interest and principal in a timely fashion, pay taxes, maintain insurance with responsible and reputable insurance companies, preserve our corporate existence, keep appropriate books and records of financial transactions, maintain our properties, provide financial and other reports to our lenders, limit pledging and disposition of assets and mergers and consolidations, and other similar covenants. Additionally, the term loan credit agreement requires us to maintain a leverage ratio (as such term is defined in those agreements) not in excess of 3.50 to 1.00 until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

We and our consolidated subsidiaries are in compliance with all of our debt covenants.

Decrease In Cash and Cash Equivalents

Our Cash and cash equivalents at September 30, 2014 totaled $7.2 billion, a $46.3 billion decrease compared to Cash and cash equivalents at December 31, 2013 primarily as a result of the completion of the Wireless Transaction.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that management believes is useful to investors and other users of Verizon's financial information in evaluating cash available to pay debt and dividends. Free cash flow is calculated by subtracting capital expenditures (both net cash provided by operating activities). The following table reconciles Net cash provided by operating activities to Free cash flow.

(dollars in millions)	Nine Months Ended September 30, 2014	2013	Change
Net cash provided by operating activities	$ 23,157	$ 28,387	$ (5,230)
Less: Capital expenditures (including capitalized software)	12,624	11,807	817
Free cash flow	$ 10,533	$ 16,580	$ (6,047)

The change in Free cash flow during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily due to a $3.2 billion increase in income tax payments, a $2.5 billion increase in interest payments, a $1.5 billion increase in pension contributions and higher capital expenditures. Subsequent to the completion of the Wireless Transaction on February 21, 2014, we now have full access to all of the cash flows generated by our wireless business.

We are exposed to various types of market risk in the normal course of business, including the effects of interest rate changes foreign currency exchange rate fluctuations, changes in investment, equity and commodity prices and changes in corporate tax rates We employ risk management strategies which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements commodity swap and forward agreements and interest rate locks We do not hold derivatives for trading purposes

It is our general policy to enter into interest rate, foreign currency and other derivative transactions only to the extent necessary to achieve our desired objectives in limiting our exposure to various market risks Our objectives include maintaining a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions We do not hedge our market risk exposure in a manner that would completely eliminate the effect of changes in interest rates and foreign exchange rates on our earnings We do not expect that our net income, liquidity and cash flows will be materially affected by these risk management strategies

Interest Rate Risk

We are exposed to changes in interest rates, primarily on our short-term debt and the portion of long-term debt that carries floating interest rates As of September 30, 2014, approximately 85% of the aggregate principal amount of our total debt portfolio consisted of fixed rate indebtedness, including the effect of interest rate swap agreements designated as hedges The impact of a 100 basis point change in interest rates affecting our floating rate debt would result in a change in annual interest expense including our interest rate swap agreements that are designated as hedges, of approximately $0 2 billion The interest rates on substantially all of our existing long-term debt obligations are unaffected by changes to our credit ratings

Interest Rate Swaps

We enter into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt We principally receive fixed rates and pay variable rates based on LIBOR resulting in a net increase or decrease to interest expense These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio We record the interest rate swaps at fair value on our condensed consolidated balance sheets as assets and liabilities The fair value of these contracts was not material at September 30 2014 and December 31, 2013 respectively As of September 30, 2014, the total notional amount of the interest rate swaps was $1 8 billion The ineffective portion of these interest rate swaps was not material for the three and nine months ended September 30 2014, respectively

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a total notional value of $2 0 billion We designated these contracts as cash flow hedges In March 2014, we settled these forward interest rate swaps and the pre-tax gain was not material During the first and second quarters of 2014 we entered into forward interest rate swaps with total notional values of $0 9 billion and $3 1 billion, respectively During the third quarter of 2014, we entered into forward interest rate swaps with a total notional value of $0 8 billion We designated these contracts as cash flow hedges

In October 2014, we settled $1 25 billion of forward interest rate swaps

Foreign Currency Translation

The functional currency for our foreign operations is primarily the local currency. The translation of income statement and balance sheet amounts of our foreign operations into U S dollars is recorded as cumulative translation adjustments, which are included in Accumulated other comprehensive income in our condensed consolidated balance sheets Gains and losses on foreign currency transactions are recorded in the condensed consolidated statements of income in Other income and (expense), net. At September 30, 2014, our primary translation exposure was to the British Pound Sterling, the Euro, the Australian Dollar, the Indian Rupee and the Japanese Yen.

Cross Currency Swaps

During the first quarter of 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5 4 billion of Euro and British Pound Sterling denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars as well as to mitigate the impact of foreign currency transaction gains or losses

During the second quarter of 2014, in connection with the May Exchange Offer, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 2 billion of British Pound Sterling denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the impact of foreign currency transaction gains or losses

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S dollars, as well as to mitigate the effect of foreign currency transaction gains or losses In June 2014, we settled $0 8 billion of these cross currency swaps as part of the Exchange Offer and the gains with respect to these swaps were not material

A portion of the gains and losses recognized in Other comprehensive income (loss) was reclassified to Other income and (expense) net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was $0 1 billion at September 30 2014 and was not material at December 31 2013 During the three and nine months ended September 30 2014, a pre-tax loss of $0 1 billion and an immaterial pre-tax loss, respectively were recognized in Other comprehensive income (loss) During the three and nine months ended September 30, 2013, a pre-tax gain of $0 1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss)

Wireless

Wireless Transaction

On September 2 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller) pursuant to which Verizon agreed to acquire Vodafone s indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion

On February 21, 2014 pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc a subsidiary of Seller (VF1 Inc) which indirectly through certain subsidiaries (together with VF1 Inc the Purchased Entities) owned the Vodafone Interest In consideration for the Transferred Shares, upon completion of the Wireless Transaction Verizon (i) paid approximately $58 89 billion in cash, (ii) issued approximately 1 27 billion shares of Verizon's common stock, par value $0 10 per share (the Stock Consideration), which was valued at approximately $61 3 billion at the closing of the Wireless Transaction, (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5 0 billion (the Verizon Notes) (iv) sold Verizon's indirectly owned 23 1% interest in Vodafone Omnitel N V (Omnitel and such interest the Omnitel Interest) valued at $3 5 billion and (v) provided other consideration, which included the assumption of preferred stock valued at approximately $1 7 billion The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing legal and bank fees, were financed through the incurrence of third-party indebtedness (see Consolidated Financial Condition)

In accordance with the accounting standard on consolidation, a change in a parent s ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted As a result, we accounted for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon s ownership interest in the Partnership Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted has been recognized in equity attributable to Verizon

Omnitel Transaction

On February 21 2014, Verizon and Vodafone also consummated the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement As a result during the nine months ended September 30 2014, we recognized a pre-tax gain of $7 9 billion on the disposal of the Omnitel interest in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income

Verizon Notes

The Verizon Notes were issued to Vodafone pursuant to Verizon s existing indenture The Verizon Notes were issued in two separate series with $2 5 billion due February 21 2022 (the eight-year Verizon Notes) and $2 5 billion due February 21, 2025

(the eleven-year Verizon Notes) The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 The eight-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372% The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series Beginning two years after the closing of the Wireless Transaction Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods commencing January 1, 2017 Any Verizon Notes held by third parties will not be redeemable by Verizon prior to their maturity dates Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable

Other Consideration

Included in the other consideration provided to Vodafone is the indirect assumption of long-term obligations with respect to 5 1135% Class D and Class L cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities Both the Class D shares (825 000 shares outstanding) and Class E shares (825 000 shares outstanding) are mandatorily redeemable in April 2020 at $1 000 per share plus any accrued and unpaid dividends Dividends accrue at 5 1435% per annum and will be treated as interest expense Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction

Deferred Tax Liabilities

Certain deferred taxes directly attributable to the Wireless Transaction have been calculated based on an analysis of taxes attributable to the difference between the tax basis of the investment in the noncontrolling interest that is assumed compared to Verizon's book basis As a result Verizon recorded a deferred tax liability of approximately $13 5 billion

Spectrum License Transactions

During the second quarter of 2014 we completed license exchange transactions with T-Mobile USA to exchange certain AWS and PCS licenses The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands As a result of these exchanges we received $0 9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses Under one agreement we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2 4 billion and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses As a result, we received $1 6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0 7 billion in Selling general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30 2014

During September 2014 we entered into a license exchange agreement with affiliates of AT&T to exchange certain AWS and PCS spectrum licenses This non-cash exchange which is subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions is expected to close in the first quarter of 2015 Upon completion of the transaction we expect to record an immaterial gain

During the three and nine months ended September 30, 2014, we acquired various other wireless licenses and markets for cash consideration that was not significant

Wireline

On July 1 2014 we sold a non-strategic Wireline business which provides communications solutions to a variety of government agencies for net cash proceeds of $0 1 billion and recorded an immaterial gain

Other

During February 2014 Verizon acquired a business dedicated to the development of Internet Protocol (IP) television for cash

consideration that was not significant

On October 7, 2014, Redbox Instant by Verizon, a venture between Verizon and Redbox Automated Retail LLC (Redbox), a wholly-owned subsidiary of Outerwall Inc. ceased providing service to its customers. In accordance with an agreement between the parties, Redbox withdrew from the venture on October 20, 2014 and Verizon will wind down and dissolve the venture during the next few months. As a result of the termination of the venture, we expect to record a pre-tax loss of approximately $0.1 billion in the fourth quarter of 2014.

Regulatory and Competitive Trends

There have been no material changes to Regulatory and Competitive Trends as previously disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2013.

Environmental Matters

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s. Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted. A reassessment of costs related to remediation efforts at several other former facilities was also undertaken. In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program. This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon. To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made. Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation.

Recent Accounting Standards

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures of disposals of components of an entity was issued. This standard update changes the criteria for reporting discontinued operations and enhances convergence of the reporting requirements for discontinued operations. As a result of this standard update, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results. This standard update is effective as of the first quarter of 2015, however, earlier adoption is permitted.

In May 2014, the accounting standard update related to the recognition of revenue from contracts with customers was issued. This standard update clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards. The standard update intends to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, and provide more useful information to users of financial statements through improved disclosure requirements. Upon adoption of this standard update, we expect that the allocation and timing of revenue recognition will be impacted. We expect to adopt this standard update during the first quarter of 2017.

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers. Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients. Under the other method, the guidance is applied to contracts not completed as of the date of initial application, recognizing the cumulative effect of the change as an adjustment to the beginning balance of retained earnings, and also requires additional disclosures comparing the results to the previous guidance. We are currently evaluating these adoption methods and the impact that this standard update will have on our condensed consolidated financial statements.

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period was issued. The standard update resolves the diverse accounting treatment for these share-based payments by requiring that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. We will adopt this standard update during the first quarter of 2016. The adoption of this standard update is not expected to have a

significant impact on our condensed consolidated financial statements.

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all;
- an adverse change in the ratings afforded our debt securities by nationally recognized ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing;
- significantly increased levels of indebtedness as a result of the Wireless Transaction;
- changes in tax laws or treaties or in their interpretation;
- adverse conditions in the U.S. and international economies;
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact;
- material changes in technology or technology substitution;
- disruption of our key suppliers' provisioning of products or services;
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks;
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance;
- the effects of competition in the markets in which we operate;
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings;
- significant increases in benefit plan costs or lower investment returns on plan assets; and
- the inability to implement our business strategies.

Item 3 Quantitative and Qualitative Disclosures About Market Risk

Information relating to market risk is included in Item 2, Management s Discussion and Analysis of Financial Condition and Results of Operations under the caption " Market Risk "

Item 4 Controls and Procedures

Our chief executive officer and chief financial officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this quarterly report Based on this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2014

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes intended to ensure an effective internal control environment We are continuing an initiative to implement new financial systems that will continue in phases over the next several quarters We are also continuing an initiative to standardize and centralize transaction-processing activities within our accounting processes, which we expect to continue over the next several years These initiatives will incorporate certain changes in personnel as well In connection with these initiatives and the resulting changes in our financial systems and transaction-processing activities the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective

Except as noted above, there were no changes in the Company's internal control over financial reporting during the third quarter of 2014 that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting

Item 1 Legal Proceedings

On September 15, 2010, the U S Bank National Association (U S Bank), as Litigation Trustee for the Idearc Inc Litigation Trust (Litigation Trust), filed suit in U S District Court for the Northern District of Texas against Verizon and certain subsidiaries challenging the November 2006 spin-off of Verizon s former directories business then known as Idearc Inc U S Bank, which represents a group of creditors who filed claims in Idearc's bankruptcy, alleged that Idearc was insolvent at the time of the spin-off or became insolvent shortly thereafter The Litigation Trust sought over $9 billion in damages In its June 18, 2013 decision the District Court entered judgment for Verizon and its subsidiaries and ruled that U S Bank would "take nothing" on its claims U S Bank appealed the decision to the U S Court of Appeals for the Fifth Circuit, which upheld the District Court's decision on July 30, 2014 The Litigation Trust has until December 15, 2014, to seek further review of the decision by the United States Supreme Court

On October 25, 2011, a Litigation Trust created during the bankruptcy proceedings of FairPoint Communications, Inc filed a complaint in state court in Mecklenburg County, North Carolina, against Verizon and other related entities. The complaint claimed that FairPoint's acquisition of Verizon's landline operations in Maine, New Hampshire and Vermont in March 2008 was structured and carried out in a way that left FairPoint insolvent or led to its insolvency shortly thereafter and ultimately to its October 2009 bankruptcy The Litigation Trust sought approximately $2 billion in damages Verizon removed the case to the United States District Court for the Western District of North Carolina in November 2011 At the close of discovery in February 2013, Verizon filed a summary judgment motion to dismiss the two counts in the complaint—constructive fraudulent transfer and actual fraudulent transfer. On June 12, 2013, the District Court granted Verizon's summary judgment motion in part, dismissing the Litigation Trust's constructive fraudulent transfer claim. A bench trial limited to the actual fraudulent transfer claim concluded December 13, 2013 On June 18, 2014, Verizon and the Litigation Trust entered into a settlement agreement, the terms of which are not material to our business The settlement agreement was approved by the Bankruptcy Court on September 18, 2014 and the matter was dismissed by the District Court on October 16, 2014.

In October 2013, the California Attorney General's Office notified Verizon California Inc. and other Verizon companies of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation and continue to review our operations relating to the management of hazardous waste. While penalties relating to the alleged violations could exceed $100,000, we do not expect that any penalties ultimately incurred will be material

Item 1A Risk Factors

There have been no material changes to our risk factors as previously disclosed in Part I Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

On March 7 2014 the Verizon Board of Directors approved a share buyback program, which authorizes the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2017 The program permits Verizon to repurchase shares over time with the amount and timing of repurchases depending on market conditions and corporate needs

Verizon did not repurchase any shares of Verizon common stock through its authorized share buyback program during the three months ended September 30 2014 At September 30 2014, the maximum number of shares that could be purchased by or on behalf of Verizon under our share buyback program was 100 million

Item 6 Exhibits

Exhibit Number	Description
12	Computation of Ratio of Earnings to Fixed Charges
31 1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31 2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32 1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32 2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101 INS	XBRL Instance Document
101 SCH	XBRL Taxonomy Extension Schema Document
101 PRE	XBRL Taxonomy Presentation Linkbase Document
101 CAL	XBRL Taxonomy Calculation Linkbase Document
101 LAB	XBRL Taxonomy Label Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

VERIZON COMMUNICATIONS INC

Date October 28 2014

By /s/ Anthony T Skiadas
Anthony T Skiadas
Senior Vice President and Controller
(Principal Accounting Officer)

Exhibit Index

Exhibit Number	Description
12	Computation of Ratio of Earnings to Fixed Charges
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31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
Verizon Communications Inc. and Subsidiaries

(dollars in millions)	Nine Months Ended September 30, 2014
Earnings:	
Income before provision for income taxes	$ 19,156
Equity in earnings of unconsolidated businesses	(1,811)
Dividends from unconsolidated businesses	26
Interest expense [1]	3,633
Portion of rent expense representing interest	674
Amortization of capitalized interest	143
Earnings, as adjusted	$ 21,821
Fixed Charges:	
Interest expense [1]	$ 3,633
Portion of rent expense representing interest	674
Capitalized interest	324
Fixed charges	$ 4,631
Ratio of earnings to fixed charges	4.71

(1) We classify interest expense recognized on uncertain tax positions as income tax expense and therefore such interest expense is not included in the Ratio of Earnings to Fixed Charges.

EXHIBIT 31.1

I, Lowell C. McAdam, certify that

1 **I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.,**

2 **Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report,**

3 *Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all* material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared

(b) *Designed such internal control over financial reporting, or caused such internal control over financial reporting* to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles,

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation, and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over *financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors* (or persons performing the equivalent functions)

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: October 28, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Francis J. Shammo, certify that

1 **I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.,**

2 **Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report**

3 *Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all* material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared

(b) *Designed such internal control over financial reporting, or caused such internal control over financial reporting* to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles,

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over *financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors* (or persons performing the equivalent functions)

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: October 28, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

EXHIBIT 32 1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell C. McAdam, Chairman and Chief Executive Officer of Verizon Communications Inc. (the Company), certify that

(1) the report of the Company on Form 10-Q for the quarterly period ending September 30, 2014 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: October 28, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32 2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Francis J. Shammo, Executive Vice President and Chief Financial Officer of Verizon Communications Inc. (the Company), certify that

(1) the report of the Company on Form 10-Q for the quarterly period ending September 30, 2014 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: October 28, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D C 20549

FORM 10-K

(Mark one)

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	23-2259884
(State or other jurisdiction of incorporation or organization)	(I R S Employer Identification No)
140 West Street New York, New York	10007
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 395-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock $ 10 par value	New York Stock Exchange The NASDAQ Global Select Market London Stock Exchange

Securities registered pursuant to Section 12(g) of the Act

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ✓ No __

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes __No ✓

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No __

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes ✓ No __

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein and will not be contained to the best of registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ✓

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one)

Large accelerated filer ✓	Accelerated filer __	Non-accelerated filer __	Smaller reporting company __

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes __No ✓

At June 28, 2013, the aggregate market value of the registrant's voting stock held by non-affiliates was approximately $144,030,746,074

At February 24, 2014, 4,141,140,749 shares of the registrant's common stock were outstanding, after deducting 101,233,491 shares held in treasury

Documents Incorporated By Reference:

Portions of the registrant's Annual Report to Shareowners for the year ended December 31, 2013 (Parts I and II)

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Certifications

General

Verizon Communications Inc. (Verizon or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. Formerly known as Bell Atlantic Corporation, we were incorporated in 1983 under the laws of the State of Delaware. We began doing business as Verizon on June 30, 2000 following our merger with GTE Corporation. We have a highly diverse workforce of approximately 176,800 employees.

Our principal executive offices are located at 140 West Street, New York, New York 10007 (telephone number 212-395-1000).

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business segments and organize by products and services.

Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales which are provided to consumer, business and government customers across the United States.
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

The following portions of the 2013 Verizon Annual Report to Shareowners are incorporated into this report:

- "Overview" on pages 10 through 12, and;
- "Segment Results of Operations" on pages 17 through 22 and in Note 13 to the consolidated financial statements on pages 65 through 67.

Wireless

Background

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone Group Plc (Vodafone). As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. Verizon Wireless provides wireless communication services across one of the most extensive wireless networks in the United States and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and third-generation (3G) Evolution - Data Optimized (EV-DO) networks of any U.S. wireless service provider.

On September 2, 2013, Verizon entered into a stock purchase agreement with Vodafone and Vodafone 4 Limited, pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless for aggregate consideration of approximately $130 billion (the Wireless Transaction). We completed the transaction on February 21, 2014 and acquired 100% ownership of Verizon Wireless. The consideration paid was primarily comprised of cash and Verizon common stock.

Verizon Wireless is the largest wireless service provider in the United States as measured by retail connections and revenue. At December 31, 2013, Verizon Wireless had 102.8 million retail connections and 2013 revenues of approximately $81.0 billion, representing approximately 67% of Verizon's aggregate revenues.

We have substantially completed the deployment of our 4G LTE network. Our 4G LTE network is available to 97% of the U.S. population in more than 500 markets covering approximately 305 million people, including those in areas served by our LTE in Rural America partners. Under this program, we are working with wireless carriers in rural areas to collaboratively build and operate a 4G LTE network using each carrier's network assets and our core 4G LTE equipment and 700 MHz C-Block spectrum. Our 4G LTE network provides higher data throughput performance for data services at a lower cost compared to that provided via 3G networks.

Wireless Service and Product Offerings

Our wireless services are available to our customers receiving service under the Verizon Wireless brand. In addition, customers can obtain wireless products and services that operate on our network from resellers that purchase network access from us on a wholesale basis.

Wireless Services

We offer our wireless services on a postpaid and prepaid basis. Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Our postpaid account plans include More Everything® plans, single connection plans, plans tailored to the needs of our corporate customers as well as legacy single connection plans and family plans that we no longer offer to new accounts. A single account may receive monthly wireless services for a variety of connected devices. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance (access service revenues), and usage beyond the allowance is billed in arrears (usage service revenues). Approximately 94% of our retail connections received our wireless services on a postpaid basis as of December 31, 2013. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

Our wireless plans offer various packages of services that allow customers, regardless of the device, to select the plan that best matches their network usage patterns. On February 13, 2014, we introduced our More Everything plans which replaced our Share Everything® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among up to 10 devices connected to the Verizon Wireless network. Customers with Verizon Edge, which provides a device payment plan option, also will receive discounted monthly access fees on More Everything plans. For an additional monthly access fee, our customers have the option of sharing long distance and roaming minutes among their devices for calls from the United States to and calls while within Canada and Mexico. The More Everything plans also include the Mobile Hotspot service on our smartphones at no additional charge. The Mobile Hotspot service allows a customer to use our network to create a Wi-Fi network that can be used by Wi-Fi enabled devices. Verizon Wireless also offers shared data plans for business with the More Everything plans for Small Business and the Nationwide Business Data Packages and Plans. As of December 31, 2013, Share Everything accounts represented approximately 46% of our retail postpaid accounts compared to approximately 23% as of December 31, 2012.

We offer a wide variety of wireless services including Internet access via our broad range of devices. Our customers can access the Internet on all of our smartphones, as well as our basic phones that include HTML web-browsing capability. We also offer service that enables our customers to access the Internet wirelessly at broadband speeds on notebook computers and tablets that either have embedded 4G LTE or 3G EV-DO modules or that are used in conjunction with separate devices that enable access to this service, such as smartphones and USB modems as well as Jetpacks™ and other dedicated devices that provide a mobile Wi-Fi connection. These devices can be added to the customer's More Everything plan for an additional monthly fee, or the customer can obtain a separate plan for the device at various price points, depending upon both the size of the data allowance purchased and the device covered by the plan.

In addition, we offer messaging services, which enable our customers to send and receive text, picture and video messages. Our customers can access multimedia offerings, mostly provided by third parties, consisting of applications providing music, video, gaming, news and other content, while our business-focused offerings, which are designed to increase productivity, include solutions that enable customers to access the Internet and their corporate intranets, as well as products that enable wireless e-mail across our diverse portfolio of wireless devices. Our location-based services provide our customers with directions to their destination and enable our business customers to locate, monitor and communicate with their mobile field workers. Our global data services allow our customers to access data services on our Global Ready Phones from hundreds of international destinations and to access the Internet at such destinations with laptops that are either Global Ready, tethered to a Global Ready Phone, or are used in conjunction with other Global Ready devices, such as certain USB modems or Jetpacks. In addition, our customers have access to more than one million applications and services developed and distributed by third parties, such as those offered via Google Play, accessible on our smartphones running on the Google, Inc. (Google) Android operating system, those offered via the Apple, Inc. (Apple) iTunes store, accessible through smartphones and tablets running on the Apple iOS operating system, those offered by Microsoft Inc. (Microsoft), via Microsoft's Windows Phone OS operating system and those offered by BlackBerry Limited (BlackBerry), through its BlackBerry App World webstore.

Our customers can make and receive calls on their home phone handsets using our wireless network through our Home Phone Connect service or Verizon 4G LTE Broadband Router with Voice service. We also offer HomeFusion® Broadband, a high-speed Internet service that provides customers with Internet connections in their homes using our 4G LTE network.

In addition, we provide network access and, in some cases, enhanced value added services to support telemetry-type applications, which are characterized by machine-to-machine (M2M) wireless connections. Our M2M services support devices that are used by a variety of vertical market segments, including healthcare, education, manufacturing, utilities, distribution and consumer products. For example, companies purchase network access and, in some cases, enhanced services from us in order to connect with and monitor equipment, such as medical devices used to monitor patients, fleet management devices used to monitor company-operated vehicles and utility monitoring devices used for smart grid applications. Other companies purchase network access and, in some cases, enhanced services from us to support devices that are included in a service they, in turn, sell to end users. We also support telematics services for some of the largest automotive manufacturers. We expect that consumer use of M2M wireless connections, such as home monitoring, health monitoring, energy management and utilities management will increase as consumers integrate these devices into their mobile lifestyle.

Wireless Devices

We offer several categories of wireless devices, including smartphones, tablets and other Internet access devices as well as basic phones.

Smartphones. Our device line up includes an array of smartphones that are enabled to utilize our 4G LTE and/or 3G EV-DO high-speed data services and run on various operating platforms, such as Apple iOS, Google Android, BlackBerry OS and Windows Phone OS. In August 2013, we launched the new Verizon Edge device payment plan option which now allows customers to trade in their phone for a new phone after a minimum of thirty days, subject to certain conditions.

Tablets and Other Internet Devices. We offer a variety of 4G LTE and/or 3G EV-DO-enabled tablets from multiple manufacturers that run primarily on either the Apple iOS, Google Android or Microsoft Windows operating system. In 2013, we launched the Ellipsis 7 tablet, which is available exclusively from Verizon Wireless. The tablets we offer also permit our customers to access the Internet via a Wi-Fi connection. In addition, we offer dedicated devices that provide a mobile Wi-Fi 4G LTE and/or 3G EV-DO connection which we refer to as Jetpacks, capable of connecting multiple Wi-Fi enabled devices to the Internet at one time. Our customers can also access the Internet wirelessly at broadband speeds on their computers via data cards, USB modems or through the use of certain laptop computers and netbooks with embedded 4G LTE and 3G EV-DO Mobile Broadband modules offered by original equipment manufacturers (OEMs). During 2013, we continued to experience strong subscriber demand for tablets and other Internet devices, and the percentage of our retail postpaid connection base represented by connections to these devices continued to increase.

Basic Phones. Most of the basic phones we offer are 3G EV-DO-enabled and have HTML-browsing capability.

We purchase wireless devices and accessories from a number of manufacturers, with the substantial majority of our purchases made from Apple, Motorola Mobility, Samsung, LG Electronics, BlackBerry, HTC, Hitachi and Quality One Wireless (through which we purchase Pantech devices and accessories).

A key component of all wireless devices is the chipset which contains the "intelligence" of the device. The LTE chipsets used in our 4G LTE-enabled devices are manufactured by various companies each using its own 4G LTE chipset technology. For the manufacture and supply of our CDMA-1XRTT and EV-DO chipsets, most of our wireless device suppliers rely on Qualcomm Incorporated (Qualcomm). We also sell phones that include CDMA-1XRTT and EV-DO chipsets manufactured by VIA Telecom under license from Qualcomm. In addition, there are a number of other components common to wireless phones provided by various electronic component manufacturers that we do not deal with directly.

Strategic Initiatives

We have undertaken several initiatives to develop innovative devices, data services and applications available to run on our networks, including the following:

- *Mobile Video.* Video content is projected to account for a majority of mobile network traffic by 2018. We believe the growth in video consumption using mobile devices provides us with an opportunity for revenue growth. We have made investments in converging technologies and services involving content delivery networks, video streaming and related consumer hardware to leverage new content models. Our 4G LTE network enables us to move towards a unified video strategy that positions us to take advantage of this growth opportunity. For example, we are using Multimedia Broadcast Multicast Service technology to develop our LTE Multicast service. This service has the potential to enhance our network efficiency and provide our customers with access to live streaming video content with virtually no buffering, regardless of the number of devices using the service.
- *Mobile Commerce.* Every day, large volumes of transactions are carried across our network. As a result, we believe we are well positioned to influence and benefit from the rapid growth of the mobile commerce market that is being driven by technology advances such as the proliferation of smartphones and tablets. Isis, a mobile commerce platform, represents the final phase of our initiatives to address this opportunity. Launched in November 2012 as a joint venture with AT&T Inc. (AT&T) and T-Mobile USA Inc. (T-Mobile USA), Isis enables customers to pay for point-of-sale purchases via their mobile phones using near field communications technology rather than paying with cash or a credit card. Known as the "Isis Mobile Wallet," this service enables customers to organize all of their payment cards, offers and loyalty cards in one convenient application on their Isis-ready phone.
- *Innovation centers.* We operate innovation centers in Waltham, Massachusetts and San Francisco. We believe our centers serve as catalysts for the development of non-traditional devices, services and applications that take full advantage of our 4G LTE network. The centers work with many of our strategic partners representing various industries to help them quickly bring products, services, applications and solutions to market.

Network

We have the largest 4G LTE and 3G EV-DO networks of any service provider in the United States, with licensed and operational coverage in all of the 100 most populous U.S. metropolitan areas. As of January 21, 2014, our 4G LTE network covers approximately 305 million people in the U.S., including those in areas served by our LTE in Rural America program.

We strive to provide our customers with the highest network reliability for their wireless services. We design and deploy our network in an efficient manner that we believe maximizes the number of successful data sessions and completions of large file downloads and uploads while delivering on our advertised throughput speeds and that maximizes the number of calls that are connected on the first attempt and completed without being dropped. We plan to continue to expand and upgrade our network primarily to increase capacity, as well as explore strategic opportunities to expand our national network coverage through selective acquisitions of wireless operations and spectrum licenses.

In addition to our own network coverage, we have roaming agreements with a number of wireless service providers to enable our customers to receive wireless service in nearly all other areas in the United States where wireless service is available. We also offer a variety of international wireless voice and data services to our customers through roaming arrangements with wireless service providers outside of the United States. Certain of our roaming agreements are terminable at will by either party upon several months' notice, however, we do not believe that the termination of any of these at-will agreements would have a material adverse effect on our business.

Technology

Our primary network technology platforms are 4G LTE and 3G Code Division Multiple Access (CDMA). 4G LTE provides higher data throughput performance for data services at a lower cost compared to those offered by 3G technologies. We continue working to expand 4G LTE coverage beyond our network footprint through our LTE in Rural America Program. We currently have 20 committed program participants that have the potential to provide 4G LTE coverage to approximately three million people under the program and to date, sixteen participants have commenced operations on such networks.

In 2012, we began testing our mobile Voice over Internet protocol (VoIP) network known as Voice over LTE (VoLTE). This technology, which is expected to be used in addition to the current voice technology, is anticipated to launch commercially in 2014.

Our 3G CDMA network is based on spread-spectrum digital radio technology. CDMA-1XRTT technology is deployed in nearly all of the cell sites in our 3G CDMA network. In addition, EV-DO, a 3G packet-based technology intended primarily for high-speed data transmission, is deployed in substantially all of the cell sites in our 3G CDMA network.

Our network includes various elements of redundancy designed to enhance the reliability of our service. Power and backhaul transport facilities can often become a network's vulnerability. Consequently, we have battery backup at every switch and every cell site in our network. We also utilize backup generators at a majority of our cell sites and at every switch location. In addition, we have a fleet of portable backup generators that can be deployed to cell sites if needed. We further enhance reliability by using a fully redundant backbone Multiprotocol Label Switching network in all critical locations.

Spectrum

The spectrum licenses we hold can be used for mobile wireless voice and data communications services. We have licenses to provide these wireless services on portions of the 800 MHz band, also known as cellular spectrum, the 1800-1900 MHz band, also known as Personal Communication Services (PCS) spectrum, and the 1700 and 2100 MHz band, also known as Advanced Wireless Services (AWS) spectrum, in areas that, collectively, cover nearly all of the population of the United States. In addition, we hold licenses for portions of the 700 MHz upper C band, including ten licenses that can, together, be used to provide wireless service coverage to the entire United States and the Gulf of Mexico.

Since 2012, we have entered into several spectrum transactions, including:

- In 2012, Verizon Wireless acquired AWS spectrum in separate transactions with SpectrumCo, LLC and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. During 2012, Verizon Wireless also completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA. As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and PCS licenses at fair value and transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless.
- **During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value.**
- **During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value.**
- **During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands.**

- **Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.**

We anticipate we will need additional spectrum to meet future demand. This increasing demand is being driven by growth in customer connections and usage of wireless broadband services, which use more bandwidth and require ever faster rates of speed to stay competitive. We can meet spectrum needs by acquiring licenses or leasing spectrum from other licensees, or by acquiring new spectrum licenses from the FCC, if and when offered by the FCC in future spectrum auctions. Although the availability of new spectrum for commercial wireless services and the possible dates of future FCC spectrum auctions are uncertain at this time, the FCC and the current Presidential Administration have been seeking the release of additional mobile use spectrum. The FCC is expected to conduct an auction for AWS-3 spectrum in late 2014. In addition, Congress has adopted legislation that provides for the establishment of a national public safety network and the reallocation and auction, through the use of voluntary incentive auctions, by 2022 of portions of the existing broadcast spectrum. The incentive auction related to the 600 MHz band is expected to take place in mid-2015 although the specific timing of the AWS-3, 600 MHz and other auctions will be determined by future regulatory proceedings.

Since we and competing wireless service providers have experienced spectrum shortages in certain markets and may have spectrum surpluses in others, we have at times exchanged spectrum licenses with other service providers through secondary market swap transactions. We expect to continue to pursue similar opportunities to trade spectrum licenses in order to meet certain of our capacity and expansion needs in the future. In other cases, Verizon Wireless has entered into intra-market spectrum swaps designed to increase the amount of contiguous spectrum within frequency bands in a specific market. Contiguous spectrum improves network performance and efficiency. These swaps as well as any spectrum purchases are subject to obtaining governmental approvals for the transfer of spectrum licenses in each instance.

Network Equipment and Build-out

Alcatel-Lucent and Ericsson are currently our primary network vendors for our LTE network deployments for macro sites as well as small cells. Our primary CDMA cell site equipment infrastructure vendors are Alcatel-Lucent, which provides more than half of our CDMA cell site equipment, and Nokia Siemens Networks (NSN), and Ericsson, which together provide nearly all of our remaining cell site equipment. We also rely on Alcatel-Lucent, NSN and Ericsson for our switching equipment.

As we continue to build and upgrade our existing network, we must complete a variety of steps, including securing rights to a large number of sites and obtaining zoning and other governmental approvals for macro sites, small cells, in-building systems and antennas and related radio equipment that comprise distributed antenna systems. We utilize tower site management firms, such as Crown Castle International Corp. and American Tower Corporation, as lessors or managers of a portion of our existing tower sites upon which our operations depend.

Marketing and Distribution

Our marketing strategy is focused on offering solutions tailored to the needs of our various customer market groups, promoting our brand, leveraging our extensive distribution network, and jointly marketing our products and services to large business and government customers with Verizon's Wireline business units through Verizon Enterprise Solutions, a sales and marketing organization that encompasses all of Verizon's solutions for medium and large business and government customers globally. Our marketing plan includes a coordinated program of television, print, radio, outdoor, signage, Internet and point of sale media promotions designed to present our corporate message consistently across all of our markets. We use a combination of direct, indirect and alternative distribution channels in order to increase customer growth while reducing customer acquisition costs.

Company operated stores are a core component of our distribution strategy. Our direct channel, which includes our business-to-business sales operations and systems organization, is focused on supporting the wireless communication needs of consumers and local, regional and national business customers. In addition, we have a telemarketing sales force dedicated to handling incoming calls from customers, and we offer fully-automated, call-in and web-based sales of wireless devices, accessories and service plans.

In November 2012, we launched our first Verizon Destination store at Mall of America in Bloomington, Minnesota. The store focuses on the mobile lifestyle and highlights the many ways consumers can use wireless technology in their daily lives. The store is part of a broader initiative that includes the redesign of our retail stores nationwide to become "smart stores." These newly

redesigned locations showcase the same mobile lifestyle zones as the Verizon Destination store but on a smaller scale. During the next few years, we plan to open additional destination stores in high traffic locations across the country. In addition, our online store and Gadgets & Gear portal have also been redesigned to deliver a consistent shopping experience for customers across browsers and mobile platforms.

Our indirect channel includes agents that sell our postpaid and prepaid wireless products and services at retail locations throughout the United States, as well as through the Internet. The majority of these agents sell both our postpaid and prepaid products and services, and do so under exclusive selling arrangements with us. We also utilize high-profile, national retailers, such as Best Buy, Wal-Mart, RadioShack and Target, to sell our postpaid and prepaid wireless products and services. Stores such as Dollar General and various drugstore chains sell our prepaid products and services. We have also entered into agency agreements with a number of broadband, video and voice service providers through which our products and services are sold on a stand-alone basis or bundled with their services.

Competition

We operate in a highly competitive industry. We compete against other national wireless service providers, including AT&T, Sprint Corporation and T-Mobile USA, as well as various regional wireless service providers. We also compete for retail activations with resellers that buy bulk wholesale service from facilities-based wireless service providers for resale, including those that buy from us. We expect competition to intensify as a result of continuing increases in wireless market penetration levels, network investment, the development and deployment of new technologies, the introduction of new products and services, new market entrants, the availability of additional spectrum, both licensed and unlicensed, and regulatory changes. Competition may also increase as smaller, stand-alone wireless service providers merge or transfer licenses to larger, better capitalized wireless service providers.

The wireless industry also faces competition from other communications and technology companies seeking to increase their brand recognition and capture customer revenue with respect to the provision of wireless products and services. For example, Microsoft, Google, Apple and others are offering alternative means for making wireless voice calls that, in certain cases, can be used in lieu of the wireless provider's voice service.

We believe that the following are the most important competitive factors in our industry:

- *Network reliability, capacity and coverage.* We believe that a wireless network that consistently provides high quality and reliable service is a key differentiator in the U.S. market and a driver of customer satisfaction. Lower prices, improved service quality and new wireless service offerings, which in many cases include video content, have led to increased customer usage of wireless services, which, in turn, puts pressure on network capacity. In order to compete effectively, wireless service providers must keep pace with network capacity needs and offer highly reliable national coverage through their networks. We believe that our 4G LTE network will help us to keep pace with network capacity requirements and meet customer demand for higher speeds.
- *Pricing.* Service and equipment pricing play an important role in the wireless competitive landscape. As the demand for wireless services continues to grow, wireless service providers are offering service plans that include unlimited voice minutes and/or messages and a specific amount of data access in varying megabyte or gigabyte sizes or, in some cases, unlimited data usage. In addition, certain wireless service providers are also offering minutes-sharing plans, larger bundles of included minutes with no roaming or long distance charges, features that enable customers to place and receive calls from a group of self-designated U.S. phone numbers (including landline numbers) at no additional charge, and both prepaid and postpaid plans offering unlimited voice and data usage. Wireless service providers are also offering price plans that decouple service pricing from equipment pricing and blur the traditional boundary between prepaid and postpaid plans. In addition, some wireless service providers are offering a credit to new customers to reimburse early termination fees paid to their former wireless service provider, subject to certain limitations.

  We seek to compete in this area by offering our customers price plans for our services, as well as equipment offers, that they will regard as the best available value for the price.
- *Customer service.* We believe that high-quality customer service is a key factor in retaining customers and attracting new customers, including those of other wireless providers. Our customer service, retention and satisfaction programs are based on providing customers with convenient and easy-to-use products and services in order to promote long-term relationships and minimize churn. Our competitors also recognize the importance of customer service and are also focused on improving in this area.
- ***Product and service development.*** **As wireless technologies develop and wireless broadband networks proliferate, continued customer and revenue growth will be increasingly dependent on the development of new and enhanced data products and services. We continue to pursue the development and rapid deployment of new and innovative wireless products and services both independently and in collaboration with application service providers. We also collaborate with various device manufacturers in the development of distinctive smartphones and other wireless devices that can access the growing array of data applications and content available over the Internet. We continue to focus on increasing smartphone penetration throughout our customer base.**
- ***Sales and distribution.*** **Key to achieving sales success in the wireless industry is the reach and quality of sales channels and distribution points. We believe that attaining the optimal combination of varying distribution channels is important to achieving industry-leading profitability, as measured by operating income. We endeavor to increase sales through our company-operated stores, outside sales teams and telemarketing and web-based sales and fulfillment capabilities, as well as through our extensive indirect distribution network of retail outlets and prepaid replenishment locations and netbook and notebook OEMs. In addition, we sell network access to both traditional resellers, which resell network services to their end-users, and to various companies to enable wireless communications for their M2M devices or for their provision of telematics services.**
- ***Capital resources.*** **In order to expand the capacity and coverage of their networks and introduce new products and services, wireless service providers require significant capital resources. We generate significant cash flow from operations, as do some of our competitors.**

Our success will depend on our ability to anticipate and respond to various factors affecting the wireless industry, including the factors described above, as well as new technologies, new business models, changes in customer preferences, regulatory changes, demographic trends, economic conditions and pricing strategies of competitors.

Wireline

Background

Our Wireline segment provides voice, data and video communications products and enhanced services, including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world. In 2013, Wireline revenues were $39.2 billion, representing approximately 33% of Verizon's aggregate revenues.

Wireline Services and Product Offerings

We organize our service and product offerings by the primary customers targeted by these offerings – mass markets, global enterprise and global wholesale.

In 2012, Verizon acquired HUGHES Telematics, Inc. (HUGHES Telematics). The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers. These offerings include our suite of real-time vehicle communications services and applications which connect automobiles with content, applications and services. We provide services to new vehicles in the United States and in 2013, we extended our agreement with two auto manufacturers to provide services for new vehicles in China and in Europe. See "Strategic Initiatives – Verizon Telematics" for additional information.

During 2011, we enhanced our offerings of cloud services by acquiring Terremark Worldwide Inc. (Terremark), a global provider of information technology infrastructure and cloud services, and by acquiring a provider of cloud software technology. These acquisitions improved Verizon's competitive position in the managed hosting and cloud services space, enhanced our offerings to business and government customers globally and contributed to our growth in revenues.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers. In 2013, Mass Markets revenues were $17.3 billion, representing approximately 44% of Wireline's aggregate revenues.

Data services. We offer FiOS broadband and high-speed Internet data products with varying downstream and upstream processing speeds, including FiOS Quantum. With FiOS Quantum, customers can achieve download speeds up to 500 megabytes per second (Mbps) and upload speeds up to 100 Mbps. We believe that as consumers power more devices and stream more video, they will require increased broadband speeds. As of December 31, 2013, approximately 45% of our FiOS Internet subscribers subscribe to FiOS Quantum.

Video Services. We offer video service over our fiber optic network. As of December 31, 2013, FiOS Video is available to approximately 15 million homes across 12 states, as well as the District of Columbia. We believe FiOS Video has features that differentiate it from the competition, including its channel line-up, Interactive Media Guide, Home Media DVR and breadth of high definition content, as well as the following:

- *Flex View.* With Flex View, FiOS customers can watch content anytime, anywhere, on any device. Customers who subscribe to FiOS Video and Internet also have the ability to upload their photos, music and videos to their personal Flex View Library, which gives them easy access to this content via any data-capable device. The HBO GO offering provides customers with unlimited access to HBO programming on any data-capable device. Verizon's FiOS Video subscribers can also access Turner Broadcasting's online programming directly on the TBS and TNT sites and through Verizon FiOS Video Online. In addition, through FiOS TV Widgets, viewers have one touch on demand access to local weather, traffic and community information and popular social media applications, such as Facebook, YouTube and Twitter, as well as online commerce opportunities. The widget platform has evolved in an open development environment, which provides opportunities for third parties to develop enhanced customer features via the FiOS Video product.
- *Customer Premise Equipment interoperability.* We continue to partner with major corporations to offer further interoperability with various products such as video game consoles, smart televisions and tablets. This technology further expands our initiative to provide customers with the ability to watch content anytime, anywhere, on any data-capable device.

Voice services. We offer voice services that include local exchange, regional long distance, wire maintenance and voice messaging services, as well as VoIP services, which use the Internet or private broadband networks to transmit voice

Global Enterprise

Global Enterprise offers Strategic services, including networking products and solutions, advanced communications services, and other core communications services to medium and large business customers, including multinational corporations, as well as state and federal government customers. Global Enterprise jointly markets these services with Verizon's other business units through Verizon Enterprise Solutions. In 2012, Global Enterprise revenues were $14.7 billion, representing approximately 38% of Wireline's aggregate revenues.

Strategic services. Strategic services consist of networking products and solutions, advanced communication services for voice and video, and security, infrastructure and cloud services.

Networking products and solutions primarily include:

- *Private IP* – This service, built on multiprotocol label switching, enables customers to leverage the efficiency, performance and value of IP in a secure manner. Our Private IP network allows customers to communicate over a private, secure network in more than 120 countries using a variety of access methods, including Ethernet and Verizon Wireless 4G LTE.
- *Other corporate networking services* – Other services primarily include Ethernet access and ring services. Ethernet services allow customers to connect network environments around the world and enable applications and technologies to work seamlessly and with little disruption. Ring services include technologies that help customers handle bandwidth demands and control their costs.

Advanced communication services primarily include:

- *IP communications* – Our IP communications services simplify network management and drive operational efficiencies by enabling the convergence of voice and data traffic on the same access connection.
- *Infrastructure and cloud services* – Our infrastructure and cloud services include Infrastructure as a Service (IaaS) and managed hosting services that provide enterprise customers with data center computing, data storage and network facilities, connectivity, security, architecture and support, data center colocation services that house and protect customers' critical applications and systems, including several facilities that offer extensive carrier neutral options, application management services that provide customers with comprehensive monitoring and management of applications, and advanced enterprise-class cloud services that provide organizations with the ability to virtualize IT resources such as computing, memory and storage, enabling their constituents to produce, store, process, consume and share information.
- *Machine-to-Machine (M2M) Services* – Our acquisition of HUGHES Telematics in July 2012 provided a technology platform that we are leveraging in M2M markets which has enabled us to further develop strategic partnerships in the automotive, transportation, energy, health monitoring, education and insurance industries. M2M services permit customers to connect and monitor equipment, such as medical devices, fleet management devices and utility monitoring devices. We believe that these services, which are enabled on a large scale by 4G LTE wireless technology, have the ability to reshape the way businesses operate and the way consumers interact with devices around them. Verizon offers platform-based solutions tailored to specific industries to enable value creation and new commercial business models. Our goal is to be a leader in implementing the next generation of connected services for vehicles, centered on a core platform of safety, security, fleet management, convenience and other offerings targeting commercial fleet operators, individual consumers and other customers.
- *Security* – *We provide integrated solutions to help companies secure their networks and data through the following services:*
  - *Security professional services* – Security consultants that construct security plans tailored to the needs of our customers.
  - *Governance, risk and compliance* – Allows customers to assess risk levels based on current security controls and develop plans to address security-related compliance objectives.
  - *Identity management* – Provides identity-based access management for customer data, application, and systems across multiple IT environments.
  - *Managed security* – We design, implement, and maintain a secure IT infrastructure for our clients and help them prevent, detect, and report security threats.
- *Other advanced communications services* – Other services primarily include dedicated Internet access, which provides enterprise customers with high-bandwidth dedicated access to Verizon's global network; unified communications and collaboration capabilities, which enable customers to communicate in real time through VoIP and IP conferencing; and emergency communication services, which allow customers to respond effectively to emergencies while maintaining business continuity.

Core services. Core services include core voice and data services, which consist of a comprehensive portfolio of global solutions utilizing traditional telecommunications technology, such as conferencing and contact center solutions, and private line and data access networks. Core services also include providing customer premise equipment, installation, maintenance and site services. We are continuing to transition customers out of historical core services such as Frame Relay and Asynchronous Transfer Mode services.

Global Wholesale

Global Wholesale provides communications services including data, voice, local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers. In 2013, Global Wholesale revenues were $6.7 billion, representing approximately 17% of Wireline's aggregate revenues. A portion of Global Wholesale revenues is generated by a few large telecommunications companies, most of which compete directly with us.

Global Wholesale provides the following services which it jointly markets with Verizon's other business units through Verizon Enterprise Solutions:

- *Data services.* We offer a robust portfolio of data services with varying speeds and options to enhance our wholesale customers' networks and provide connections to their end users and subscribers. Our data services include high-speed digital data offerings, such as Ethernet and Synchronous Optical Network, as well as core data circuits, such as DS1s and DS3s. In addition, data services include special access revenues that are generated from carriers that buy dedicated local exchange capacity to support their private networks.

  New Ethernet connectivity in the United States represents the largest data growth opportunity in wholesale, as we pursue our technology upgrade initiative and customers look to the future and higher capacity demands. These customers are also migrating networks from time division multiplexing to Ethernet, which will better scale and service the growth of broadband services driven by smartphones, mobile broadband and mobile video. Global Wholesale offers a complete suite of services to support the expansion of 4G and 3G networks.

  Data services also include certain value-added business services, which leverage many of the same offerings available in the Global Enterprise portfolio, including:
  - *Managed services* – Offers wholesale customers the opportunity to outsource the management of their networks, security, remote access and web applications to Verizon.
  - *Mobility* – Enables wholesale customers to enhance their portfolio to triple-play or quad-play capability by leveraging wireless devices and services offered through Verizon Wireless and packaged and resold under their own carrier brand; and
  - *Security* – Provides wholesale customers integrated solutions to help their enterprise end-users secure their networks and data.
- *Voice services.* We provide switched access services that allow carriers to complete their end-user calls that originate or terminate within our territory.
- *Local services.* We offer an array of local dial tone and broadband services to competitive local exchange carriers, some of which are offered to comply with telecommunications regulations. In addition, we offer services such as colocation, resale and unbundled network elements in compliance with applicable regulations.

Other

Other services include such services as local exchange and long distance services derived from former MCI mass market customers and operator services. In 2013, Other revenues were $0.5 billion, representing approximately 1% of Wireline's aggregate revenues.

Strategic Initiatives

Technology developments, interconnected markets, shifting consumer needs and converging industry ecosystems are creating innovative opportunities for Verizon. Our vision is to be a globally-connected solutions company. Our market solutions are designed to deliver best-in-class products and services, strengthen our competitive advantage in the marketplace and drive a high-quality experience for our customers. To take advantage of these market trends, we have undertaken several strategic initiatives to further develop innovative products and services and enhance our market agility in the following areas of focus:

- *Broadband.* Customers are increasingly consuming large amounts of broadband data as connected devices and associated online applications continue to experience significant growth. U.S. broadband usage has more than doubled in the past two years and we expect broadband usage to continue to increase. Our FiOS network positions us in the industry with leading broadband speeds and reliability. Broadband represents a growth opportunity for us as the use of over-the-top video, user-generated content and data- and connected homes and devices continue to accelerate.
- *Consumer and Enterprise Video.* Our FiOS Video service continues to experience consumer growth. We are enhancing our FiOS service by providing customers with increasing mobility options to view content in and out of the home to meet the demand for video consumption anywhere and at any time.
- *Cloud Services.* Capitalizing on market growth in cloud services and on enterprise trends toward outsourcing IT infrastructure and services, Verizon introduced an evolutionary cloud platform built for speed and performance, using our own software-based intellectual property and enterprise-grade reliability. Verizon Cloud Compute and Cloud Storage adopt a new approach to how public clouds are built, enabling customers of all sizes to take advantage of the agility and economic benefits of a generic public

cloud along with the reliability and scale of an enterprise-level service, while maintaining control of performance. Virtual machines (software-based computers and servers) can be created and deployed in seconds, and users build and pay for what they need.

Our cloud infrastructure also enables real-time analytical capabilities for our M2M customers, providing an end-to-end capability where customers can store, process and analyze large amounts of data on a real-time basis. Our cloud infrastructure also has the ability to handle multiple instances of an application providing global support and availability of the applications without increased latency. The integration of our cloud infrastructure with our telematics assets provides our customers with new and innovative service capabilities that are scalable, and which we believe are operationally superior to other bifurcated approaches.

- *Security.* With new technologies changing how enterprises do business, the cyber security landscape continues to evolve. We believe that businesses are making business and customer data protection one of their highest priorities in order to protect their brand and enhance customer loyalty. We believe that Verizon has an advantage in its ability to reduce cyber risks and mitigate the damaging impact of advanced cyber attacks due to the volume of traffic carried globally on our networks. We will continue to advance our portfolio of forensics services and managed security services, building new capabilities to identify risks and threats and expanding our IT Security professional services and outsourcing.
- *Verizon Telematics.* Our suite of real-time vehicle communications services and applications connects automobiles with content, services and call centers. Our platform enables factory installed and aftermarket automotive safety and security as well as location-based services and vehicle diagnostics. We provide usage-based data services to new vehicles in the United States and in 2013 we extended our agreement with two auto manufacturers to provide services for new vehicles in China and in Europe. Through our In-Drive solution, we have partnered with a major automotive insurance provider to deliver usage-based insurance programs and other connected applications. Our Network Fleet solution provides commercial fleet managers throughout North America with real-time access to data that yields operational efficiencies, increased vehicle reliability and improved driver safety. We also provide this service to approximately 18,000 vehicles operated by Verizon. We are further expanding our telematics portfolio to add asset tracking capabilities.

In addition to these strategic areas of focus, we are investing in Verizon Labs and the Software Center of Excellence to support software development and architecture, as well as development stage products and services. We believe these investments will assist us in bringing innovative, next-generation products and services to market and uncover new sources of revenue, increase revenue of existing projects and leverage our strengths across the company.

Network

To provide services to our customers, we operate an advanced telecommunications network in the United States and around the world.

- *FiOS.* Our goal is to distinguish FiOS as a premier residential broadband service in the United States. As of December 31, 2013, our FiOS service passed over 18.5 million premises, and our latest FiOS Quantum service offerings now provide download speeds up to 500 Mbps and upload speeds up to 100 Mbps. New services such as the FiOS Mobile App are also extending our TV experience to a host of mobile devices. We expect bandwidth demands to grow with the continued emergence of new video and data applications and the proliferation of IP devices in the home.

  The Passive Optical Network technology upon which the FiOS network is deployed positions Verizon to meet growing bandwidth requirements. Our network architecture provides the flexibility to adapt our facilities more easily to future product development. For example, new optical terminals can be added to the fiber-to-the-premise network providing greater bandwidth and new services without any additional field construction. Select field trials have successfully achieved connection speeds of nearly one gigabit per second (Gbps) and when a more advanced next-generation technology has been connected to the fiber-optic network, connection speeds of 10 Gbps have been reached, demonstrating the significant growth capacity built into the FiOS platform.

  Additionally, this advanced optical network is also finding increased application opportunities in the business sector, especially as the industry seeks to migrate to Ethernet-based access services.
- *Global IP.* Verizon owns and operates one of the largest global fiber networks with long haul, metro and submarine cable assets providing connectivity to customers in over 150 countries. Verizon's global network encompasses over 830,000 route miles of terrestrial and undersea cable, serving the business community to support and enable far reaching international operations.

  Global IP traffic has increased substantially over the last five years and is expected to continue to grow significantly. This global business is also rapidly evolving to an "everything-as-a-service" model in which business customers seek cloud-based, converged enterprise solutions delivered securely via managed and professional services. With the continued deployment of its packet optical transport strategy, Verizon is creating a single, high-capacity global network platform that combines optical transport with advanced packet switching technology. The result is a global IP network that can offer powerful solutions to these service demands.

  Although overall Wireline capital expenditures declined in 2013 compared to 2012 primarily as a result of decreased legacy spending requirements and a decline in spending on our FiOS network, we furthered our Global IP network expansion initiatives into Europe, Asia, Africa and South America, as well as the continued deployment of the industry's first commercial 100G Gbps technology on U.S. and European backbone routes. More than 13,000 100G Ultra-Long-Haul route miles were added to the global IP network in 2013, and we plan to further extend our 100G technology in 2014.

We believe that our continued focus on advancing our fiber-based networks and achieving cost efficient solutions through new technology deployments will help Verizon advance its position as a provider of choice to residential and enterprise customers.

Competition

The wireline telecommunications industry is highly competitive. We expect competition to intensify further with traditional, non-traditional and emerging players seeking increased market share. Current and potential competitors include cable companies, wireless service providers, other domestic and foreign telecommunications providers, satellite television companies, Internet service providers and other companies that offer network services and managed enterprise solutions.

In addition, companies with a global presence increasingly compete with our wireline businesses. A relatively small number of telecommunications and integrated service providers with global operations serve customers in the global enterprise and, to a lesser extent, global wholesale markets. We compete with these full or near-full service providers for large contracts to provide integrated services to global enterprises. Many of these companies have a strong market presence, brand recognition and existing customer relationships, all of which contribute to intensifying competition and which may affect our future revenue growth.

We believe the following are the most important competitive factors and trends in the wireline industry:

- *Customer service.* Customers expect industry-leading service from their service providers. As technologies and services evolve, the ability to excel in this area is very important for customer acquisition and retention. In Mass Markets, we compete in this area through our service representatives and online support. In Global Enterprise, we provide our customers with ready access to their system and performance information, and we conduct proactive testing of our network to identify issues before they affect customers. In the wholesale business, we believe service improvement can be achieved through continued system automation initiatives.
- *Network reliability and bandwidth (speed).* As both consumers and small business customers look to leverage high-speed connections for entertainment, communications and productivity, we expect broadband penetration will continue to increase over the next several years. As online and online-enabled activities increase, so will bandwidth requirements, both downstream and upstream. To succeed, we and other network-based providers must ensure that our networks can deliver against these increasing bandwidth requirements. We continue to invest in our network to be able to meet this future demand. In addition, network reliability and security are increasingly important competitive factors in the global enterprise market.
- *Pricing.* Cable, telecommunications companies and integrated service providers use pricing to capture market share from incumbents. Pricing is also a significant factor as non-traditional modes of providing communication services emerge and new entrants compete for customers. For example, VoIP and portal-based calling is free or nearly free to customers and is often supported by advertising revenues.
- *Product differentiation.* As a result of pricing pressures, providers need to differentiate their products and services. Customers are shifting their focus from access to applications and are seeking ways to leverage their broadband and video connections. Converged features, such as integrated wireless and wireline functionality, are becoming similarly important, driven by both customer demand and technological advancement.

In the Mass Markets business, cable operators are significant competitors. Cable operators have increased the size and digital capacity of their networks so that they can offer digital products and services. We continue to market competitive bundled offerings that include high-speed Internet access, digital television and voice services. Several major cable operators also offer bundles with wireless services through strategic relationships.

In addition, wireless substitution is an ongoing competitive trend, which we expect to continue as wireless companies position their service as a landline alternative. We also face increasing competition from cable companies and other providers of VoIP services as well as Internet portal providers.

As a result of the Telecommunications Act of 1996, which requires us to allow potential competitors to purchase our services for resale or access components of our network on an unbundled basis at a prescribed cost, competition in our local exchange markets continues. Our telephone operations generally have been required to sell their services to competitive local exchange carriers at significant discounts from the prices our telephone operations charge their retail customers. The scope of these obligations going forward and the rates we receive are subject to ongoing review and revision by the FCC and state regulators. (See "Regulatory and Competitive Trends" in the 2013 Verizon Annual Report to Shareowners.)

In the global enterprise market, the customer's need to reduce technical complexity, coupled with the growth opportunity created by technology convergence is driving the expansion of the competitive landscape. Major competitors include systems integrators, carriers and hardware and software providers. Some of the largest companies in IT services are either making acquisitions or forging new alliances to be better positioned for a rebound in technology spending. Most new alliances and acquisitions have focused on emerging fields such as cloud computing, software delivery, communication applications and other computing tasks.

via the network, rather than on in-house machines. Carriers have also utilized acquisitions to make significant inroads into enterprise outsourcing markets that have long been dominated by the major IT outsourcers.

Global Wholesale competes with traditional carriers for long-haul voice and IP services. In addition, mobile video and data needs are driving a greater need for wireless backhaul. Network providers, cable companies and niche players are competitors for this new revenue opportunity.

Patents, Trademarks and Licenses

Verizon owns or has licenses to various patents, copyrights, trademarks, domain names and other intellectual property rights necessary to conduct our business. We actively pursue the filing and registration of patents, copyrights, domain names, trademarks and service marks to protect our intellectual property rights within the United States and abroad. Verizon also actively grants licenses, in exchange for appropriate fees or other consideration and subject to appropriate safeguards and restrictions, to other companies that enable such companies to utilize certain Verizon intellectual property rights and proprietary technology as part of their products and services. Such licenses enable such third party licensees to take advantage of the results of Verizon's research and development efforts. While these licenses result in valuable consideration being paid to Verizon, we do not believe that loss of such consideration, or the expiration of any of our intellectual property rights, would have a material effect on our results of operations.

Verizon periodically receives offers from third parties to purchase or obtain licenses for patents and other intellectual property rights in exchange for royalties or other payments. We also periodically receive notices alleging that our products or services infringe on third party patents or other intellectual property rights. These claims, whether against us directly or against third-party suppliers of products or services that we, in turn, sell to our customers, if successful, could require us to pay damages or royalties or cease offering the relevant products or services.

Acquisitions and Divestitures

"Acquisitions and Divestitures" on pages 32 through 33 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Regulatory and Competitive Trends

"Regulatory and Competitive Trends" included in "Other Factors That May Affect Future Results" on pages 34 through 35 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Environmental Matters

"Environmental Matters" included in "Other Factors That May Affect Future Results" on page 35 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Executive Officers

See Part III, Item 10 "Directors, Executive Officers and Corporate Governance" of this Annual Report on Form 10-K for information about our executive officers.

Employees

As of December 31, 2013, Verizon and its subsidiaries had approximately 176,800 employees. Unions represent approximately 28% of our employees.

Information on Our Internet Website

We make available, free of charge on our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports at www.verizon.com/investor. Verizon has adopted a code of ethics, as that term is defined in Item 406(b) of Regulation S-K, which applies to our Chief Executive Officer, Chief Financial Officer and Controller. A copy of this code may be found on our website at www.verizon.com/investor. Any amendments to this code or any waiver of this code for any executive officer will be posted on that website.

Cautionary Statement Concerning Forward-Looking Statements

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all;
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing;
- significantly increased levels of indebtedness as a result of the Wireless Transaction;
- changes in tax laws or treaties, or in their interpretation;
- adverse conditions in the U.S. and international economies;
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact;
- material changes in technology or technology substitution;
- disruption of our key suppliers' provisioning of products or services;
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks;
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance;
- the effects of competition in the markets in which we operate;
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings;
- significant increases in benefit plan costs or lower investment returns on plan assets; and
- the inability to implement our business strategies.

The following discussion of "Risk Factors" identifies the most significant factors that may adversely affect our business, operations, financial condition or future performance. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Result of Operations" and the consolidated financial statements and related notes. The following discussion of risks is not all-inclusive but is designed to highlight what we believe are important factors to consider when evaluating our business and expectations. These factors could cause our future results to differ materially from our historical results and from expectations reflected in forward-looking statements.

Adverse conditions in the U.S. and international economies could impact our results of operations.

Unfavorable economic conditions, such as a recession or economic slowdown in the United States or elsewhere, could negatively affect the affordability of and demand for some of our products and services. In difficult economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of our products, electing to use fewer higher margin services or obtaining lower-cost products and services offered by other companies. Similarly, under these conditions, the business customers that we serve may delay purchasing decisions, delay full implementation of service offerings or reduce their use of services. In addition, adverse economic conditions may lead to an increased number of our consumer and business customers that are unable to pay for services. If these events were to occur, it could have a material adverse effect on our results of operations.

We face significant competition that may reduce our profits.

We face significant competition in our industry. The rapid development of new technologies, services and products has eliminated many of the traditional distinctions among wireless, cable, Internet, local and long distance communication services and brought new competitors to our markets, including other telephone companies, cable companies, wireless service providers, satellite providers, application and device providers, electric utilities and providers of VoIP services. While these changes have enabled us to offer new types of products and services, they have also allowed other providers to broaden the scope of their own competitive offerings. Our ability to compete effectively will depend on, among other things, our network quality, capacity and coverage; the pricing of our products and services; the quality of our customer service; our development of new and enhanced products and services; the reach and quality of our sales and distribution channels; and our capital resources. It will also depend on how successfully we anticipate and respond to various factors affecting our industry, including new technologies and business models; changes in consumer preferences and demand for existing services; demographic trends and economic conditions. If we are not able to respond successfully to these competitive challenges, we could experience reduced profits.

If we are not able to adapt to changes in technology and address changing consumer demand on a timely basis, we may experience a decline in the demand for our services, be unable to implement our business strategy and experience reduced profits.

Our industry is experiencing rapid change as new technologies are developed that offer consumers an array of choices for their communications needs. In order to grow and remain competitive, we will need to adapt to future changes in technology, enhance our existing offerings and introduce new offerings to address our customers' changing demands. If we are unable to meet future challenges from competing technologies on a timely basis or at an acceptable cost, we could lose customers to our competitors. We may not be able to accurately predict technological trends or the success of new services in the market. In addition, there could be legal or regulatory restraints on our introduction of new services. If our services fail to gain acceptance in the marketplace or if costs associated with implementation and completion of the introduction of these services materially increase, our ability to retain and attract customers could be adversely affected.

In addition to introducing new technologies and offerings, we must phase out outdated and unprofitable technologies and services. If we are unable to do so on a cost-effective basis, we could experience reduced profits. In addition, there could be legal or regulatory restraints on our ability to phase out current services.

We depend on key suppliers and vendors to provide equipment that we need to operate our business.

We depend on various key suppliers and vendors to provide us, directly or through other suppliers, with equipment and services, such as switch and network equipment and handsets, that we need in order to operate our business and provide products to our customers. For example, our handset and other device suppliers rely on one vendor for the manufacture and supply of critical components, such as chipsets, used in their devices. If these suppliers or vendors fail to provide equipment or services on a timely basis or fail to meet our performance expectations, we may be unable to provide products and services as and when requested by our customers. We also may be unable to continue to maintain or upgrade our networks. Because of the costs and time lags that

can be associated with transitioning from one supplier to another our business could be substantially disrupted if we were required to, or chose to replace the products or services of one or more major suppliers with products or services from another source, especially if the replacement became necessary on short notice Any such disruption could increase our costs, decrease our operating efficiencies and have a material adverse effect on our business, results of operations and financial condition

The suppliers and vendors on which we rely may also be subject to litigation with respect to technology on which we depend including litigation involving claims of patent infringement Such claims have been growing rapidly in the communications industry We are unable to predict whether our business will be affected by any such litigation We expect our dependence on key suppliers to continue as we develop and introduce more advanced generations of technology

Changes in the regulatory framework under which we operate could adversely affect our business prospects or results of operations

Our domestic operations are subject to regulation by the FCC and other federal, state and local agencies, and our international operations are regulated by various foreign governments and international bodies These regulatory regimes frequently restrict or impose conditions on our ability to operate in designated areas and to provide specified products or services We are frequently required to maintain licenses for our operations and conduct our operations in accordance with prescribed standards We are often involved in regulatory and other governmental proceedings related to the application of these requirements It is impossible to predict with any certainty the outcome of pending federal and state regulatory proceedings relating to our operations, or the reviews by federal or state courts of regulatory rulings Without relief existing laws and regulations may inhibit our ability to expand our business and introduce new products and services Similarly, we cannot guarantee that we will be successful in obtaining the licenses needed to carry out our business plan or in maintaining our existing licenses For example, the FCC grants wireless licenses for terms generally lasting 10 years, subject to renewal The loss of, or a material limitation on, certain of our licenses could have a material adverse effect on our business results of operations and financial condition

New laws or regulations or changes to the existing regulatory framework at the federal, state and local, or international level could restrict the ways in which we manage our wireline and wireless networks impose additional costs impair revenue opportunities, and potentially impede our ability to provide services in a manner that would be attractive to us and our customers For example, certain services could be subject to conflicting regulation by the FCC and/or various state and local authorities which could significantly increase the cost of implementing and introducing new services As another example, we hold certain wireless licenses that require us to comply with so-called "open access" FCC regulations, which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice In addition, our broadband Internet access services are subject to various attempts to impose so-called "network neutrality" rules some of which were affirmed and others vacated on appeal in early 2014 Proponents of these rules want to limit the ways that a broadband Internet access service provider can structure business arrangements and manage its network The further regulation of broadband wireless and our other activities and any related court decisions could restrict our ability to compete in the marketplace and limit the return we can expect to achieve on past and future investments in our networks

Cyber attacks or other breaches of network or information technology security could have an adverse effect on our business.

Cyber attacks or other breaches of network or information technology (IT) security may cause equipment failures or disruptions to our operations Our inability to operate our wireline or wireless networks as a result of such events even for a limited period of time, may result in significant expenses and/or loss of market share to other communications providers In addition, the potential liabilities associated with these events could exceed the insurance coverage we maintain Cyber attacks which include the use of malware, computer viruses and other means for disruption or unauthorized access, on companies including Verizon, have increased in frequency scope and potential harm in recent years While to date, we have not been subject to cyber attacks or other cyber incidents which, individually or in the aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber attack in the future The costs associated with a major cyber attack on Verizon could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cyber security measures, lost revenues from business interruption and litigation Further, certain of Verizon's businesses, including the provisioning of security solutions and infrastructure and cloud services to business customers, could be negatively affected if our ability to protect our own networks is called into question as a result of a cyber attack In addition, if we fail to prevent the theft of valuable information such as financial data, sensitive information about Verizon and intellectual property, or if we fail to protect the privacy of customer and employee confidential data against breaches of network or IT security, it could result in damage to our reputation, which could adversely impact customer and investor confidence Any of these occurrences could result in a material adverse effect on our results of operations and financial condition

Natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations.

Our business operations are subject to interruption by natural disasters, power outages, terrorist attacks, other hostile acts and events beyond our control Such events could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers While we maintain insurance coverage for some of these events, the potential liabilities associated with these events could exceed the insurance coverage we maintain Our system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities These events could also damage the infrastructure of the suppliers that provide us with the equipment and services we need to operate our business and provide products to our customers. A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to our reputation

Verizon's debt has increased significantly and could increase further if Verizon incurs additional debt in the future and does not retire existing debt.

As of December 31, 2013, Verizon had approximately $93 6 billion of outstanding indebtedness, as well as approximately $6 1 billion of unused borrowing capacity under its existing credit facility Since that date, Verizon has incurred $20 3 billion of additional indebtedness and became entitled to draw upon an additional $2 billion of borrowing capacity under a 364-day revolving credit agreement Verizon's debt level and related debt service obligations could have negative consequences, including

- requiring Verizon to dedicate significant cash flow from operations to the payment of principal, interest and other amounts payable on its debt and the preferred stock issued by the entity acquired from Vodafone which would reduce the funds Verizon has available for other purposes such as working capital capital expenditures and acquisitions,

- making it more difficult or expensive for Verizon to obtain any necessary future financing for working capital, capital expenditures, debt service requirements, debt refinancing, acquisitions or other purposes,
- reducing Verizon's flexibility in planning for or reacting to changes in its industry and market conditions;
- making Verizon more vulnerable in the event of a downturn in its business, and
- exposing Verizon to increased interest rate risk given that a portion of its debt obligations are at variable interest rates

In addition, the term loan agreement Verizon entered into in connection with the Wireless Transaction requires Verizon to maintain a certain leverage ratio unless Verizon's credit ratings are at or above a certain level, which could limit Verizon's ability to obtain additional financing in the future

Adverse changes in the credit markets could increase our borrowing costs and the availability of financing

We require a significant amount of capital to operate and grow our business We fund our capital needs in part through borrowings in the public and private credit markets Adverse changes in the credit markets, including increases in interest rates, could increase our cost of borrowing and/or make it more difficult for us to obtain financing for our operations or to finance existing indebtedness In addition our borrowing costs can be affected by short- and long-term debt ratings assigned by independent rating agencies which are based, in significant part, on our performance as measured by customary credit metrics A decrease in these ratings would likely increase our cost of borrowing and/or make it more difficult for us to obtain financing A severe disruption in the global financial markets could impact some of the financial institutions with which we do business, and such instability could also affect our access to financing

Increases in costs for pension benefits and active and retiree healthcare benefits may reduce our profitability and increase our funding commitments.

With approximately 176 800 employees and approximately 209,000 retirees as of December 31 2013 eligible to participate in Verizon's benefit plans the costs of pension benefits and active and retiree healthcare benefits have a significant impact on our profitability Our costs of maintaining these plans, and the future funding requirements for these plans are affected by several factors, including the continuing implementation of the provisions of the Patient Protection and Affordable Care Act and the Health Care Education Reconciliation Act of 2010 increases in healthcare costs, decreases in investment returns on funds held by our pension and other benefit plan trusts and changes in the discount rate used to calculate pension and other postretirement expenses If we are unable to limit future increases in the costs of our benefit plans those costs could reduce our profitability and increase our funding commitments

A significant portion of our workforce is represented by labor unions and we could incur additional costs or experience work stoppages as a result of the renegotiation of our labor contracts

As of December 31, 2013, approximately 28% of our workforce was represented by labor unions We are currently engaged in contract negotiations with labor unions representing approximately 2 900 employees of our wireline business, and we will engage in additional negotiations as other labor contracts expire in the future Depending on the outcome of these negotiations we could incur additional costs and/or experience lengthy work stoppages which could adversely affect our business operations including causing a loss of revenue and strained relationships with customers

We are subject to a significant amount of litigation which could require us to pay significant damages or settlements

Our business faces a substantial amount of litigation, including from time to time patent infringement lawsuits antitrust class actions wage and hour class actions personal injury claims and lawsuits relating to our advertising sales billing and collection practices In addition our wireless business also faces personal injury and consumer class action lawsuits relating to alleged health effects of wireless phones or radio frequency transmitters and class action lawsuits that challenge marketing practices and disclosures relating to alleged adverse health effects of handheld wireless phones We may incur significant expenses in defending these lawsuits In addition we may be required to pay significant awards or settlements

Sales of shares of Verizon common stock after the completion of the Wireless Transaction may cause the market price of Verizon common stock to fall

As of December 31, 2013 Verizon had approximately 3 86 billion shares of common stock outstanding Verizon issued approximately 1 27 billion shares of Verizon common stock in connection with the Wireless Transaction The issuance of these new shares of Verizon common stock could have the effect of depressing the market price for Verizon common stock

In addition, many Vodafone shareholders are already shareholders of Verizon and those shareholders may decide not to hold the additional Verizon shares they received in the Wireless Transaction. Other Vodafone shareholders, such as funds with geographic limitations on their permitted investments, may be required to sell the shares of Verizon common stock that they received in the Wireless Transaction. Such sales of Verizon common stock could also have the effect of depressing the market price for Verizon common stock.

None.

Our principal properties do not lend themselves to simple description by character and location. Our total investment in plant, property and equipment was approximately $221 billion at December 31, 2013 and $210 billion at December 31, 2012, including the effect of retirements, but before deducting accumulated depreciation. Our gross investment in plant, property and equipment consisted of the following:

At December 31	2013	2012
Network equipment	80.1%	79.7%
Land, buildings and building equipment	11.2%	11.3%
Furniture and other	8.7%	9.0%
	100.0%	100.0%

Our properties as a percentage of total properties are as follows:

At December 31	2013	2012
Wireline	61.3%	62.4%
Wireless	37.7%	36.5%
Other	1.0%	1.1%
	100.0%	100.0%

Network equipment consists primarily of cable (aerial, buried, underground or undersea) and the related support structures of poles and conduit, wireless plant, switching equipment, network software, transmission equipment and related facilities. Land, buildings and building equipment consists of land and land improvements, central office buildings or any other buildings that house network equipment, and buildings that are used for administrative and other purposes. Substantially all the switching centers are located on land and in buildings we own due to their critical role in the network and high set-up relocation costs. We also maintain facilities throughout the United States comprised of administrative and sales offices, customer care centers, retail sales locations, garage work centers, switching centers, cell sites and data centers. Furniture and other consists of telephone equipment, furniture, data processing equipment, office equipment, motor vehicles, plant under construction, capitalized non-network computer software costs and leasehold improvements. A portion of our property is subject to the liens of their respective mortgages securing funded debt.

On September 15, 2010, the U.S. Bank National Association (U.S. Bank), as Litigation Trustee for the Ideare Inc. Litigation Trust (Litigation Trust), filed suit in U.S. District Court for the Northern District of Texas against Verizon and certain subsidiaries challenging the November 2006 spin-off of Verizon's former directories business then known as Ideare Inc. U.S. Bank, which represents a group of creditors who filed claims in Ideare's bankruptcy, alleged that Ideare was insolvent at the time of the spin-off or became insolvent shortly thereafter. The Litigation Trust sought over $9 billion in damages. Following a two-week trial in October 2012 limited to the question of the value of Ideare, Inc. on the date of the spin-off on January 22, 2013, the Court issued a decision finding that the value was "at least $12 billion." As $12 billion exceeds the value of the debt and cash that Ideare transferred to Verizon on the date of the spin-off, the Court issued a related Order to Show Cause directing the Litigation Trust to submit a brief that "explains why any (or all) of its legal claims are viable in light of the court's finding on Ideare's value." In its June 18, 2013 decision, the Court entered judgment for Verizon and its subsidiaries and ruled that U.S. Bank would "take nothing" on its claims. U.S. Bank appealed the decision to the U.S. Court of Appeals for the Fifth Circuit, where briefing is scheduled to be completed in the first quarter of 2014.

On October 25, 2011, a Litigation Trust created during the bankruptcy proceedings of FairPoint Communications, Inc. filed a complaint in state court in Mecklenburg County, North Carolina, against Verizon and other related entities. The complaint claims that FairPoint's acquisition of Verizon's landline operations in Maine, New Hampshire and Vermont in March 2008 was structured and carried out in a way that left FairPoint insolvent or led to its insolvency shortly thereafter and ultimately to its October 2009 bankruptcy. The Litigation Trust seeks approximately $2 billion in damages. Verizon removed the case to the United States District Court for the Western District of North Carolina in November 2011. At the close of discovery in February 2012, Verizon filed a summary judgment motion to dismiss the two counts in the complaint—constructive fraudulent transfer and actual fraudulent transfer. On June 12, 2013, the Court granted Verizon's summary judgment motion in part, dismissing the Litigation Trust's constructive fraudulent transfer claim. A two-week bench trial limited to the actual fraudulent transfer claim concluded December 15, 2013.

In October 2013, the California Attorney General's Office notified Verizon California Inc. and other Verizon companies of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation and continue to review our operations relating to the management of hazardous waste. While penalties relating to the alleged violations could exceed $100,000, we do not expect that any penalties ultimately incurred will be material.

None.

The principal market for trading in the common stock of Verizon is the New York Stock Exchange. As of December 31, 2013, there were 585,931 shareowners of record.

High and low stock prices, as reported on the New York Stock Exchange composite tape of transactions, and dividend data are as follows:

		Market Price		Cash Dividend
		High	Low	Declared
2013	Fourth Quarter	$ 51.39	$ 46.03	$ .530
	Third Quarter	51.94	45.08	.530
	Second Quarter	54.31	47.77	.515
	First Quarter	49.59	41.50	.515
2012	Fourth Quarter	$ 47.32	$ 40.51	$ .515
	Third Quarter	46.41	42.18	.515
	Second Quarter	44.77	36.80	.500
	First Quarter	40.48	37.07	.500

On February 3, 2011, the Board approved a share buyback program which authorized the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2014. The Board also determined that no additional shares were to be purchased under the previously authorized buyback program. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs. The Company may also enter into Rule 10b5-1 plans from time to time to facilitate repurchases of its shares under this authorization. A Rule 10b5-1 plan permits the Company to repurchase shares at times when it might otherwise be prevented from doing so, provided the plan is adopted when the Company is not aware of material non-public information.

During the fourth quarter of 2013, Verizon did not repurchase any shares of Verizon common stock. At December 31, 2013, the maximum number of shares that could be purchased by or on behalf of Verizon under our share buyback program was 96.5 million.

For other information required by this item, see the section entitled "Stock Performance Graph" on page 9 of the 2013 Verizon Annual Report to Shareowners, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Selected Financial Data" on page 9, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 10 through 28, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Market Risk" on page 29, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners on pages 36 through 71, which is incorporated herein by reference.

None.

Our chief executive officer and chief financial officer have evaluated the effectiveness of the registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this Annual Report, that ensure that information relating to the registrant which is required to be disclosed in this report is recorded, processed, summarized and reported within required time periods. Based on this evaluation, our chief executive officer and chief financial officer have concluded that the registrant's disclosure controls and procedures were effective as of December 31, 2013.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes intended to ensure an effective internal control environment. We are continuing an initiative to implement new financial systems that will continue in phases over the next several quarters. We are also continuing an initiative to standardize and centralize transaction-processing activities within our accounting processes which we expect to continue over the next several years. These initiatives will incorporate certain changes in personnel as well. In connection with these initiatives and the resulting changes in our financial systems and transaction-processing activities, the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective.

Except as noted above, there were no changes in the Company's internal control over financial reporting during the fourth quarter of 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's report on internal control over financial reporting and the attestation report of Verizon's independent registered public accounting firm are included in the 2013 Verizon Annual Report to Shareowners on pages 36 and 37 and are incorporated herein by reference.

None.

Set forth below is information with respect to our executive officers.

Name	Age	Office	Held Since
Lowell C. McAdam	59	Chairman and Chief Executive Officer	2011
Roy H. Chestnutt	54	Executive Vice President – Strategy, Development and Planning	2013
Roger Gurnani	53	Executive Vice President and Chief Information Officer	2010
Daniel S. Mead	60	Executive Vice President and President and Chief Executive Officer – Verizon Wireless	2010
Anthony J. Melone	53	Executive Vice President and Chief Technology Officer	2010
Randal S. Milch	55	Executive Vice President – Public Policy and General Counsel	2008
W. Robert Mudge	54	President – Consumer and Mass Business Markets	2012
Matt C. Reed	55	Executive Vice President and Chief Administrative Officer	2004
Francis J. Shammo	53	Executive Vice President and Chief Financial Officer	2010
Anthony T. Skiadas	45	Senior Vice President and Controller	2013
John G. Stratton	52	Executive Vice President and President – Verizon Enterprise Solutions	2012
Marni M. Walden	46	Executive Vice President and President – Product and New Business Innovation	2014

Prior to serving as an executive officer, each of the above officers has held high-level managerial positions with the Company or one of its subsidiaries for at least five years with the exception of Mr. Chestnutt, who has been with the Company since 2011. Officers are not elected for a fixed term of office and may be removed from office at any time at the discretion of the Board of Directors.

Roy H. Chestnutt is Executive Vice President – Strategy, Development and Planning for Verizon. From the time he joined the Company in 2011 until he was appointed to his current role in January 2013, Mr. Chestnutt was Senior Vice President of Corporate Strategy. Prior to joining Verizon, Mr. Chestnutt served as Corporate Vice President of the Americas at Motorola Networks from June 2010 to June 2011, and from 2006 to 2009, Mr. Chestnutt was Chairman and Chief Executive Officer of Grande Communications Networks (Grande), a facilities-based provider of bundled communications services. Prior to joining Grande, Mr. Chestnutt held a variety of management positions with Sprint-Nextel Corporation, Nextel Communications and Ad Touch Communications.

Set forth below is information with respect to Directors currently in office who are retiring from the Board of Directors in April 2014 and are not standing for re-election:

Sandra O. Moose

Dr. Moose, 72, is President of Strategic Advisory Services LLC, a consulting firm. She was Senior Managing Partner of The Boston Consulting Group, Inc. (BCG) until 2004. At BCG, Dr. Moose provided strategic planning, operational effectiveness and related consulting services to global clients in a variety of industries, including consumer and industrial goods, financial services and telecommunications, over a 35-year career. Dr. Moose was a principal founder of BCG's Financial Services practice and a key contributor to the development of the firm's early management concepts. She led BCG's New York office from 1988 to 1998 and was Chair of the East Coast region, which accounted for approximately 20% of BCG's overall revenues, from 1994 to 1999.

Dr. Moose's experience at BCG as a strategic advisor to diverse clients enables her to advise the Board and senior management on key issues of corporate strategy, including with respect to global growth, consumer goods and telecommunications issues. In addition to her strategic planning expertise, Dr. Moose has been the chair or presiding director of several public companies and several charitable organizations which has given her extensive expertise in corporate governance. Dr. Moose also brings to the Board substantial financial expertise and insights into the views of institutional investors which are important to Verizon as a public company.

Dr. Moose has served as a Director of Verizon since 2000 and was a director of GTE Corporation from 1978 to 2000. She is Presiding Director, Chairperson of the Corporate Governance and Policy Committee and a member of the Audit Committee. Dr. Moose is also Chairperson of the Board of Trustees of Nuveen Advisor Funds (where she has served as a trustee of the funds and their predecessors since 1982) and Loomis Sayles Funds (where she has served as a trustee since 2003) and a director of The AES Corporation (since 2004). In the past five years, Dr. Moose has served on the board of Rohm and Haas Company as its lead director.

Joseph Neubauer

Mr. Neubauer, 72, is Chairman of ARAMARK Holdings Corporation and its subsidiary, ARAMARK Corporation, a professional services company. Until May 2012, he was also the Chief Executive Officer. He has served in those roles with ARAMARK and its predecessors for more than 25 years. ARAMARK's approximately 272,000 employees provide food, hospitality, facility and uniform services in 22 countries and generated $13.9 billion in revenue during its 2013 fiscal year. Mr. Neubauer joined ARAMARK's predecessor, APA Services, in 1979 as Executive Vice President of Finance and Development, Chief Financial Officer and a director. He was elected President in 1981, Chief Executive Officer in 1983 and Chairman in 1984.

During his long tenure as Chairman and Chief Executive Officer of ARAMARK, Mr. Neubauer gained business and management experience leading a large, complex organization with international operations and a large, diverse workforce. This experience gives him a thorough understanding of many important issues facing Verizon. Mr. Neubauer brings to the Board, along with other skills and qualifications, extensive expertise in corporate finance, strategy and development. His broad background in hospitality and professional services, as well as his in-depth knowledge of consumer services, gives Mr. Neubauer insights on reaching retail and business customers, which is critical to Verizon's success.

Mr. Neubauer has served as a Director of Verizon since 1995 and is Chairperson of the Human Resources Committee. He is also a director of Macy's, Inc. (since 1992).

Hugh B. Price

Mr. Price, 72, is a Non-Resident Senior Fellow at The Brookings Institution, an independent research and policy institute. Mr. Price was President and Chief Executive Officer of the National Urban League from 1994 until 2003. During that time, Mr. Price restructured its board of directors, developed a new mission for the League and established its research and policy center.

Following his work at the National Urban League, Mr. Price was Senior Advisor of DLA Piper Rudnick Gray Cary US LLP from 2003 to 2005 and a Non-Resident Senior Fellow of the Economic Studies Program at The Brookings Institution from 2006 to 2008. From 2008 to June 2013, he served as a visiting professor at the Woodrow Wilson School at Princeton University. Prior to joining the National Urban League, Mr. Price held a variety of positions in journalism, law and public interest organizations, including serving on the Editorial Board of *The New York Times*.

Mr Price brings to the Board, among other skills and qualifications, a wide range of experience in leadership positions in both the private and non-profit sectors As a result of his experience at the National Urban League and The Brookings Institution, Mr Price is able to advise the Board and senior management on economic, government and public interest issues His extensive management and leadership experience enables him to provide insights on corporate governance matters He also has expertise in strategic planning operations management and business services, which are critical issues for Verizon

Mr Price has served as a Director of Verizon since 1997 and was a Director of NYNEX Corporation from 1995 to 1997 He is a member of the Corporate Governance and Policy Committee Mr Price is also a director of MetLife Inc (since 1999) and Metropolitan Life Insurance Company (since 1994)

Other information required by this item is incorporated by reference to the biographies of the Directors standing for re-election on pages 11-16 of Exhibit 99 the section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" on page 59 of Exhibit 99 the section entitled "Business Conduct and Ethics" on page 2 of Exhibit 99 and the information relating to the Audit Committee on page 5 of Exhibit 99 There have been no material changes to shareholder nominating procedures

Information with respect to executive compensation is incorporated by reference to the sections entitled "Compensation Discussion and Analysis" and "Compensation Tables" on pages 31-57 of Exhibit 99 The Compensation Committee Report is incorporated by reference to page 31 of Exhibit 99 There were no compensation committee interlocks or insider transactions required to be disclosed pursuant to item 407(e)(4) of Regulation S-K under the Securities Exchange Act of 1934

Information with respect to security ownership is incorporated by reference to the section entitled "Security Ownership of Certain Beneficial Owners and Management" on pages 57-59 of Exhibit 99

The following table provides information as of December 31, 2013 for (i) all equity compensation plans previously approved by the Company's shareholders and (ii) all equity compensation plans not previously approved by the Company's shareholders Since May 9 2009 the Company has only issued awards under the 2009 Verizon Communications Inc Long-Term Incentive Plan (2009 LTIP) which provides for awards of stock options, restricted stock, restricted stock units, performance stock units and other equity-based hypothetical stock units to employees of Verizon and its subsidiaries No new awards are permitted to be issued under any other equity compensation plan In accordance with SEC rules, the table does not include outstanding awards that are payable solely in cash by the terms of the award, and such awards do not reduce the number of shares remaining for issuance under the 2009 LTIP

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	17,133,926 (1)	$ 34.35 (2)	99,062,483 (3)
Equity compensation plans not approved by security holders	248,756 (4)	—	—
Total	**17,382,682**	**$ 34.35**	**99,062,483**

(1) This amount includes 982,881 shares of common stock subject to outstanding stock options, 16,120,285 shares of common stock subject to outstanding restricted stock units and performance stock units, and 30,760 shares subject to outstanding deferred stock units, in each case including, for awards other than stock options, dividend equivalents accrued on such awards through December 31, 2013 This does not include performance stock units, deferred stock units and deferred share equivalents payable solely in cash None of the outstanding stock options include tandem dividend equivalent rights.

(2) This number reflects the weighted average exercise price of outstanding stock options Verizon's outstanding restricted stock units, performance stock units and deferred stock units do not have exercise prices associated with the settlement of these awards

(3) This number reflects the number of shares of common stock that remained available for future issuance under the 2009 LTIP

(4) This number reflects shares subject to deferred stock units credited to the Verizon Income Deferral Plan, which were awarded in 2002 under the Verizon Communications Broad-Based Incentive Plan No new awards are permitted to be issued under this plan

Information with respect to transactions with related persons is incorporated by reference to the section entitled "Related Person Transaction Policy" on pages 2-3 of Exhibit 99. Information with respect to Director independence, is incorporated by reference to the section entitled "Independence" on page 3 of Exhibit 99

Information with respect to principal accountant fees and services is incorporated by reference to the section entitled "Ratification of Appointment of Independent Registered Public Accounting Firm" on page 17 of Exhibit 99

(a) Documents filed as part of this report

		Page
(1)	Report of Management on Internal Control Over Financial Reporting	*
(2)	Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting	*
(3)	Report of Independent Registered Public Accounting Firm on Financial Statements	*
	Financial Statements covered by Report of Independent Registered Public Accounting Firm	
	Consolidated Statements of Income	*
	Consolidated Statements of Comprehensive Income	*
	Consolidated Balance Sheets	*
	Consolidated Statements of Cash Flows	*
	Consolidated Statements of Changes in Equity	*
	Notes to Consolidated Financial Statements	*
	* Incorporated herein by reference to the appropriate portions of the registrant's Annual Report to Shareowners for the fiscal year ended December 31, 2013 (See Part II)	
(2)	Financial Statement Schedule	
	II – Valuation and Qualifying Accounts	28
(3)	Exhibits	

Exhibit Number Description

3a(i) Restated Certificate of Incorporation of Verizon Communications Inc (Verizon) (filed as Exhibit 3a to Form 10-K for the year ended December 31 2005 and incorporated herein by reference)

3a(ii) Certificate of Amendment of Restated Certificate of Incorporation of Verizon, effective February 4 2014

3b By-laws of Verizon as amended, effective as of December 3 2009 (filed as Exhibit 3b to Form 8-K dated December 7, 2009 and incorporated herein by reference)

4a Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association as successor trustee to Wachovia Bank National Association formerly known as First Union National Bank as Trustee, dated as of December 1, 2000 (incorporated by reference to Verizon Global Funding Corp 's Registration Statement on Form S-4, Registration No 333-64792 Exhibit 4 1)

4b First Supplemental Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp and U S Bank National Association as successor trustee to Wachovia Bank National Association formerly known as First Union National Bank as Trustee dated as of May 15 2001 (incorporated by reference to Verizon Global Funding Corp 's Registration Statement on Form S-3, Registration No 333 67412 Exhibit 4 2)

4c Second Supplemental Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association, as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee, dated as of September 29, 2004 (incorporated by reference to Form 8-K filed on February 9, 2006, Exhibit 4 1)

4d Third Supplemental Indenture between Verizon, both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association, as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee, dated as of September 29, 2004 (incorporated by reference to Form 8-K filed on February 9 2006 Exhibit 4 2)

Except for Exhibits 4a – 4d above no other instrument which defines the rights of holders of long term debt of Verizon and its consolidated subsidiaries is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A) Pursuant to this regulation Verizon hereby agrees to furnish a copy of any such instrument to the SEC upon request

10a GTE's Charitable Awards Program (filed as Exhibit 10-10 to GTE's Form 10 K for the year ended December 31, 1992, File No 1-2755 and incorporated herein by reference) **

10b NYNEX Directors' Charitable Award Program (filed as Exhibit 10b to Form 10-K for the year ended December 31, 2000 and incorporated herein by reference) **

10c 2009 Verizon Long Term Incentive Plan As Amended and Restated (incorporated by reference to Appendix D of the Registrant's Proxy Statement included in Schedule 14A filed on March 18 2013) **

10c(i) Performance Stock Unit Agreement 2011-2013 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31 2011 and incorporated herein by reference) **

10c(ii) Restricted Stock Unit Agreement 2011-2013 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference) **

10c(iii) Form of 2011 Special Performance Stock Unit Agreement (filed as Exhibit 10 to Form 10-Q for the period ended September 30 2011 and incorporated by reference) **

10c(iv) Performance Stock Unit Agreement 2012-2014 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31 2012 and incorporated herein by reference) **

10c(v) Restricted Stock Unit Agreement 2012-2014 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference) **

10c(vi) Performance Stock Unit Agreement 2013-2015 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31 2013 and incorporated herein by reference) **

10c(vii) Restricted Stock Unit Agreement 2013-2015 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2013 and incorporated herein by reference) **

10d Verizon Short-Term Incentive Plan, As Amended and Restated (incorporated by reference to Appendix C of the Registrant's Proxy Statement included in Schedule 14A filed on March 23, 2009) **

10e Verizon Income Deferral Plan (filed as Exhibit 10f to Form 10-Q for the period ended June 30, 2002 and incorporated herein by reference) **

10e(i) Description of Amendment to Plan (filed as Exhibit 10e(i) to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **

10f Verizon Excess Pension Plan (filed as Exhibit 10p to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **

10f(i) Description of Amendment to Plan (filed as Exhibit 10p(i) to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **

10g GTE's Executive Salary Deferral Plan as amended (filed as Exhibit 10 10 to GTE's Form 10-K for the year ended December 31, 1998, File No 1-2755 and incorporated herein by reference) **

10h Bell Atlantic Senior Management Long-Term Disability and Survivor Protection Plan, as amended (filed as Exhibit 10h to Form SE filed on March 27, 1986 and Exhibit 10h(ii) to Form 10-K for the year ended December 31, 1997 and incorporated herein by reference) **

10i GTE Executive Retiree Life Insurance Plan (filed as Exhibit 10q to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10j Verizon Executive Life Insurance Plan As Amended and Restated September 2009 (filed as Exhibit 10s to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10k Verizon Executive Deferral Plan (filed as Exhibit 10e to Form 10-Q for the period ended June 30, 2009 and incorporated herein by reference) **

10l Form of Aircraft Time Sharing Agreement (filed as Exhibit 10v to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10m NYNEX Deferred Compensation Plan for Non-Employee Directors (filed as Exhibit 10gg to NYNEX's Registration Statement No 2-87850, File No 1-8608 and incorporated herein by reference) **

10n Amendment to NYNEX Deferred Compensation Plan for Non-Employee Directors (filed as Exhibit 10m 5a to NYNEX s Quarterly Report on Form 10-Q for the period ended June 30, 1996, File No 1-8608 and incorporated herein by reference) **

10o Verizon Senior Manager Severance Plan (filed as Exhibit 10d to Form 10-Q for the period ended March 31, 2010 and incorporated herein by reference) **

10p U S Wireless Agreement, dated September 21, 1999, among Bell Atlantic and Vodafone Airtouch plc, including the forms of Amended and Restated Partnership Agreement and the Investment Agreement (filed as Exhibit 10 to Form 10-Q for the period ended September 30, 1999 and incorporated herein by reference)

10q Term Loan Credit Agreement dated as of October 1 2013 among Verizon, JPMorgan Chase Bank, N A as administrative agent, and the lenders party thereto (filed as Exhibit 10 1 to Form 8-K filed on October 3, 2013 and incorporated herein by reference)

12 Computation of Ratio of Earnings to Fixed Charges filed herewith

13 Portions of Verizon's Annual Report to Shareowners for the fiscal year ended December 31, 2013 filed herewith Only the information incorporated by reference into this Form 10-K is included in the exhibit

21 List of principal subsidiaries of Verizon filed herewith

23 Consent of Ernst & Young LLP filed herewith

31 1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith

31 2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith

32 1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith

32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith

99 Selected Corporate Governance and Executive Compensation Information included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014

101 INS XBRL Instance Document

101 SCH XBRL Taxonomy Extension Schema Document

101 PRE XBRL Taxonomy Presentation Linkbase Document

101 CAL XBRL Taxonomy Calculation Linkbase Document

101 LAB XBRL Taxonomy Label Linkbase Document

101 DEF XBRL Taxonomy Extension Definition Linkbase Document

** Indicates management contract or compensatory plan or arrangement

Schedule II - Valuation and Qualifying Accounts

Verizon Communications Inc. and Subsidiaries

For the Years Ended December 31, 2013, 2012 and 2011

(dollars in millions)

Description	Balance at Beginning of Period	Additions: Charged to Expenses	Additions: Charged to Other Accounts Note (a)(b)	Deductions Note (c)(d)	Balance at End of Period
Allowance for Uncollectible Accounts Receivable					
Year 2013	$ 641	$ 993	$ 162	$ 1,151	$ 645
Year 2012	802	972	113	1 246	641
Year 2011	876	1 026	139	1 239	802
Valuation Allowance for Deferred Tax Assets					
Year 2013	$ 2,041	$ 235	$ 30	$ 710	$ 1,596
Year 2012	2,376	120	38	493	2,041
Year 2011	3,421	108	25	1,178	2,376

(a) Allowance for Uncollectible Accounts Receivable primarily includes amounts previously written off which were credited directly to this account when recovered

(b) Valuation Allowance for Deferred Tax Assets includes current year increase to valuation allowance charged to equity and reclassifications from other balance sheet accounts

(c) Amounts written off as uncollectible or transferred to other accounts or utilized

(d) Reductions to valuation allowances related to deferred tax assets

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

VERIZON COMMUNICATIONS INC

By /s/ Anthony T Skiadas — Date February 27, 2014
Anthony T Skiadas
Senior Vice President and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated

Principal Executive Officer

/s/ Lowell C McAdam — Chairman and Chief Executive Officer — February 27 2014
Lowell C McAdam

Principal Financial Officer

/s/ Francis J Shammo — Executive Vice President and Chief Financial Officer — February 27 2014
Francis J Shammo

Principal Accounting Officer

/s/ Anthony T Skiadas — Senior Vice President and Controller — February 27 2014
Anthony T Skiadas

/s/ Shellye L. Archambeau Shellye L. Archambeau	Director	February 27, 2014
/s/ Richard L. Carrion Richard L. Carrion	Director	February 27, 2014
/s/ Melanie L. Healey Melanie L. Healey	Director	February 27, 2014
/s/ M. Frances Keeth M. Frances Keeth	Director	February 27, 2014
/s/ Robert W. Lane Robert W. Lane	Director	February 27, 2014
/s/ Sandra O. Moose Sandra O. Moose	Director	February 27, 2014
/s/ Joseph Neubauer Joseph Neubauer	Director	February 27, 2014
/s/ Donald T. Nicolaisen Donald T. Nicolaisen	Director	February 27, 2014
/s/ Clarence Otis, Jr. Clarence Otis, Jr.	Director	February 27, 2014
/s/ Hugh B. Price Hugh B. Price	Director	February 27, 2014
/s/ Rodney E. Slater Rodney E. Slater	Director	February 27, 2014
/s/ Kathryn A. Tesija Kathryn A. Tesija	Director	February 27, 2014
/s/ Gregory D. Wasson Gregory D. Wasson	Director	February 27, 2014

EXHIBIT 3a(ii)

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
VERIZON COMMUNICATIONS INC.

Verizon Communications Inc. (the "Corporation"), a corporation organized on October 7, 1983, and existing under and by virtue of the General Corporation Law of the State of Delaware, HEREBY DOES CERTIFY:

FIRST: That at a meeting of the Board of Directors of the Corporation held on September 2, 2013, resolutions were duly adopted approving a proposed amendment to the Restated Certificate of Incorporation (the "Certificate Amendment") of the Corporation and recommending that the proposed Certificate Amendment be approved by the stockholders of the Corporation. The Certificate Amendment is attached hereto as Exhibit A.

SECOND: That thereafter, pursuant resolution of the Corporation's Board of Directors, a special meeting of the stockholders was held on January 28, 2014 upon notice and in accordance with the provisions of Section 222 of the General Corporation Law of the State of Delaware, at which meeting a majority of the outstanding stock entitled to vote thereon was voted in favor of the Certificate Amendment as proposed by the Corporation's Board of Directors.

THIRD: That the Certificate Amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed by William L. Horton, Jr., its Senior Vice President, Deputy General Counsel and Corporate Secretary, this 3rd day of February, 2014.

VERIZON COMMUNICATIONS INC.

By: /s/ William L. Horton, Jr.
William L. Horton, Jr.
Senior Vice President, Deputy
General Counsel and Corporate Secretary

EXHIBIT A

CHARTER AMENDMENT

Article 4.A of the Restated Certificate of Incorporation is hereby amended and restated in its entirety to read in full as follows:

4 Capital Stock

A. Authorized Shares. The total number of shares of all classes of stock which the Corporation shall have the authority to issue is 6,500,000,000 shares, of which 6,250,000,000 shares are Common Stock, $.10 par value per share, and 250,000,000 shares are Series Preferred Stock, $.10 par value per share.

EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
Verizon Communications Inc. and Subsidiaries

(dollars in millions)

Years Ended December 31,	2013	2012	2011	2010	2009
Earnings:					
Income before (provision) benefit for income taxes	$ 29,277	$ 9,897	$ 10,483	$ 12,684	$ 13,520
Equity in earnings of unconsolidated businesses	(142)	(324)	(444)	(508)	(553)
Dividends from unconsolidated businesses	40	401	480	510	942
Interest expense [1]	2,667	2,571	2,827	2,523	3,102
Portion of rent expense representing interest	851	837	817	837	839
Amortization of capitalized interest	177	162	148	139	134
Earnings, as adjusted	$ 32,870	$ 13,544	$ 14,311	$ 16,185	$ 17,964
Fixed Charges:					
Interest expense [1]	$ 2,667	$ 2,571	$ 2,827	$ 2,523	$ 3,102
Portion of rent expense representing interest	851	837	817	837	839
Capitalized interest	754	406	442	964	927
Fixed Charges	$ 4,272	$ 3,814	$ 4,086	$ 4,324	$ 4,868
Ratio of earnings to fixed charges	7.69	3.55	3.50	3.74	3.69

[1] We classify interest expense recognized on uncertain tax positions as income tax expense and therefore such interest expense is not included in the Ratio of Earnings to Fixed Charges.

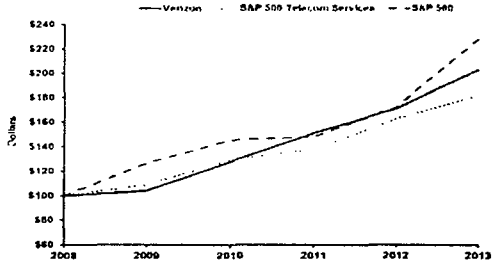
Exhibit 13

(dollars in millions, except per share amounts)

	2013	2012	2011	2010	2009
Results of Operations					
Operating revenues	$ 120,550	$ 115,846	$ 110,875	$ 106,565	$ 107,808
Operating income	31,968	13,160	12,880	14,645	15,978
Net income attributable to Verizon	11,497	875	2,404	2,549	4,894
Per common share – basic	4.01	.31	.85	.90	1.72
Per common share – diluted	4.00	.31	.85	.90	1.72
Cash dividends declared per common share	2.090	2.030	1.975	1.925	1.870
Net income attributable to noncontrolling interests	12,050	9,682	7,794	7,668	6,707
Financial Position					
Total assets	$ 274,098	$ 225,222	$ 230,461	$ 220,005	$ 226,907
Debt maturing within one year	3,933	4,369	4,849	7,542	7,205
Long-term debt	89,658	47,618	50,303	45,252	55,051
Employee benefit obligations	27,682	34,346	32,957	28,164	32,622
Noncontrolling interests	56,580	52,376	49,938	48,343	42,761
Equity attributable to Verizon	38,836	33,357	35,970	38,569	41,382

- Significant events affecting our historical earnings trends in 2011 through 2013 are described in "Other Items" in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section
- 2010 and 2009 data includes severance, pension and benefit charges, merger integration and acquisition costs, dispositions and other items. 2010 data also includes Medicare Part D Subsidy charges

Comparison of Five-Year Total Return Among Verizon, S&P 500 Telecommunications Services Index and S&P 500 Stock Index



	At December 31,					
Data Points in Dollars	2008	2009	2010	2011	2012	2013
Verizon	100.0	103.8	127.9	151.3	171.2	202.8
S&P 500 Telecom Services	100.0	108.9	129.6	137.8	163.0	181.4
S&P 500	100.0	126.5	145.5	148.6	172.3	228.8

The graph compares the cumulative total returns of Verizon, the S&P 500 Telecommunications Services Index and the S&P 500 Stock Index over a five-year period. It assumes $100 was invested on December 31, 2008 with dividends (including the value of each respective spin-off) being reinvested.

Verizon Communications Inc. (Verizon or the Company) is a holding company that, acting through its subsidiaries is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. Our offerings, designed to meet customers' demand for speed, mobility, security and control, include voice, data and video services on our wireless and wireline networks. We have two reportable segments, Wireless and Wireline. Our wireless business, operating as Verizon Wireless, provides voice and data services and equipment sales across the United States using one of the most extensive and reliable wireless networks. Our wireline business provides consumer, business and government customers with communications products and services, including broadband data and video services, network access, voice, long distance and other communications products and services and also owns and operates one of the most expansive end-to-end global Internet Protocol (IP) networks. We have a highly skilled, diverse and dedicated workforce of approximately 176,800 employees as of December 31, 2013.

In recent years, Verizon has embarked upon a strategic transformation as advances in technology have changed the ways that our customers interact in their personal and professional lives and that businesses operate. To meet the changing needs of our customers and address the changing technological landscape, we are focusing our efforts around higher margin and growing areas of our business: wireless data, wireline data and Strategic services, including cloud computing services.

Our strategy requires significant capital investments primarily to acquire wireless spectrum, put the spectrum into service, invest in the fiber optic network that supports our wireless and wireline businesses, maintain our wireless and wireline networks and develop and maintain significant advanced database capacity.

In our Wireless business, in 2013 compared to 2012, revenue growth of 6.8% was driven by connection growth and the demand for smartphones, tablets and other Internet devices. During 2013, we experienced a 4.6% increase in retail postpaid connections compared to 2012, with smartphones representing 70% of our retail postpaid phone base at December 31, 2013 compared to 58% at December 31, 2012. Also during 2013, postpaid smartphone activations represented 86% of phones activated compared to 77% in 2012.

We have substantially completed the deployment of our fourth-generation (4G) Long-Term Evolution (LTE) network. Our 4G LTE network is available to 97% of the U.S. population in more than 500 markets covering approximately 305 million people, including those in areas served by our LTE in Rural America partners. Our 4G LTE network provides higher data throughput performance for data services at lower cost compared to those provided via third-generation (3G) networks. In December 2013, 69% of our total data traffic was carried on our 4G LTE network.

On February 13, 2014, we introduced our More Everything® plans which replaced our Share Everything® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among up to 10 devices connected to the Verizon Wireless network. Customers with Verizon Edge, which provides a device payment plan option, also will receive discounted monthly access fees on More Everything plans. As of December 31, 2013, Share Everything accounts represented approximately 46% of our retail postpaid accounts, compared to approximately 23% as of December 31, 2012. Verizon Wireless offers shared data plans for business, with the More Everything plans for Small Business and the Nationwide Business Data Packages and Plans. In August 2013, we launched the new Verizon Edge device payment plan option which now allows customers to trade in their phone for a new phone after a minimum of thirty days, subject to certain conditions.

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller) pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion. On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VF1 Inc.) which indirectly through certain subsidiaries (together with VF1 Inc., the Purchased Entities) owned the Vodafone Interest. The consideration paid was primarily comprised of cash, of approximately $58.89 billion and Verizon common stock with a value of approximately $60.15 billion. See "Acquisitions and Divestitures" for additional information.

In Wireline, during 2013 compared to 2012, revenues were positively impacted by higher revenues in Consumer retail driven by FiOS services. FiOS represented approximately 7.1% of Consumer retail revenue during 2013, compared to approximately 6.5% during 2012. As the penetration of FiOS products increases, we continue to seek ways to increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are developed for this high-speed service, we expect that FiOS will become a hub for managing multiple home services that will eventually be part of the digital grid, including not just entertainment and communications, but also machine-to-machine communications, such as home monitoring, health monitoring, energy management and utilities management.

Also positively impacting Wireline's revenues during 2013 was a 4.6% increase in Strategic services revenues, which represented 57% of total Global Enterprise revenues during 2013. However, total Global Enterprise and Global Wholesale revenues declined due to declines in Core customer premise equipment revenues and traditional voice revenues. The decline in Core customer premise equipment revenues is a result of our focus on improving our margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. To compensate for the shrinking market for traditional voice service, we continue to build our Wireline segment around data, video and advanced business services—areas where demand for reliable high-speed connections is growing.

We are investing in innovative technology like wireless networks high-speed fiber and cloud services to position ourselves at the center of the growth trends of the future In addition to the Wireless Transaction, since the beginning of 2012 these investments have included acquisitions of wireless licenses of $4 9 billion We also have invested $1 4 billion in acquisitions of investments and businesses, which we expect will permit us to offer enhanced machine-to-machine, video and cloud-based products and services

By investing in our own capabilities, we are also investing in the markets we serve by providing our communities with an efficient, reliable infrastructure for competing in the information economy We are committed to putting our customers first and being a responsible member of our communities Guided by this commitment and by our core values of integrity, respect, performance excellence and accountability, we believe we are well-positioned to produce a long-term return for our shareowners create meaningful work for ourselves and provide something of lasting value for society

In the sections that follow, we provide information about the important aspects of our operations and investments, both at the consolidated and segment levels, and discuss our results of operations financial position and sources and uses of cash In addition, we highlight key trends and uncertainties to the extent practicable

Trends

We expect that competition will continue to intensify with traditional non-traditional and emerging service providers seeking increased market share We believe that our networks differentiate us from our competitors enabling us to provide enhanced communications experiences to our customers We believe our focus on the fundamentals of running a good business, including operating excellence and financial discipline gives us the ability to plan and manage through changing economic conditions We will continue to invest for growth which we believe is the key to creating value for our shareowners

Connection and Operating Trends

In our Wireless segment, we expect to continue to attract and maintain the loyalty of high-quality retail postpaid customers, capitalizing on demand for data services and bringing our customers new ways of using wireless services in their daily lives We expect that future connection growth will continue as we introduce new smartphones Internet devices such as tablets and our suite of 4G LTE devices We believe these devices will attract and retain higher value retail postpaid connections, contribute to continued increases in the penetration of data services and keep our device line-up competitive versus other wireless carriers We expect future growth opportunities will be dependent on expanding the penetration of our network services, offering innovative wireless devices for both consumer and business customers and increasing the number of ways that our customers can connect with our network and services

Service and equipment pricing play an important role in the wireless competitive landscape As the demand for wireless services continues to grow, wireless service providers are offering service plans that include unlimited voice minutes and text messages and a specific amount of data access in varying megabyte or gigabyte sizes or, in some cases, unlimited data usage Wireless service providers are also offering price plans that decouple service pricing from equipment pricing and blur the traditional boundary between prepaid and postpaid plans In addition, some wireless providers are offering a credit to new customers to reimburse early termination fees paid to their former wireless service provider, subject to certain limitations We seek to compete in this area by offering our customers services and equipment that they will regard as the best available value for the price, as well as service plans that meet their wireless service needs

In our Wireline segment, we have experienced continuing access line losses as customers have disconnected both primary and secondary lines and switched to alternative technologies such as wireless, voice over Internet protocol (VoIP) and cable for voice and data services We expect to continue to experience access line losses as customers continue to switch to alternate technologies

Despite this challenging environment, we expect that we will continue to grow key aspects of our Wireline segment by providing network reliability, offering innovative product bundles that include broadband Internet access, digital television and local and long distance voice services, offering more robust IP products and service, and accelerating our cloud computing and machine-to-machine strategies We will also continue to focus on cost efficiencies to attempt to offset adverse impacts from unfavorable economic conditions and competitive pressures

Operating Revenue

We expect to experience service revenue growth in our Wireless segment in 2014 primarily as a result of continued growth in postpaid connections driven by increased sales of smartphones, tablets and other Internet devices We expect that retail postpaid average revenue per account (ARPA) will continue to increase as connections migrate from basic phones to smartphones and from our 3G network to our 4G LTE network, and as the average number of connections per account increases, which we expect to be driven by our More Everything plans that allow for the sharing of data among up to 10 devices We expect that our future service revenue growth will be substantially derived from an increase in the usage of innovative wireless smartphones, tablets and other Internet devices in addition to our pricing structure that will encourage customers to continue adding data-enabled devices onto existing accounts We expect that continued emphasis on increasing smartphone penetration including continuing to migrate customers from basic phones to smartphones and from 3G devices to 4G LTE devices will positively impact our revenue

We expect FiOS broadband and video penetration to positively impact our Mass Markets revenue and subscriber base We also expect Strategic services revenues to continue to grow as we derive additional enterprise revenues from cloud, security and other solutions-based services and customers continue to migrate their services to Private IP and other strategic networking services, although we have experienced decelerating revenue growth within our Strategic services business We believe the trend in these growth areas as well as our offerings in telematics and video streaming will help offset the continuing decline in revenues in our Wireline segment related to retail voice connection losses as a result of wireless substitution as well as the continued decline in our legacy wholesale and enterprise markets

Operating Costs and Expenses

We anticipate our overall wireless operating costs will increase as a result of the expected increase in the volume of smartphone sales which will result in higher equipment and sales commission costs In addition we expect content costs for our FiOS video services to continue to increase However, we expect to achieve certain cost efficiencies in 2014 and beyond as data traffic continues to migrate to our lower-cost 4G LTE network and as we continue to streamline our business processes with a focus on improving productivity and increasing profitability

Capital Expenditures

Our 2014 capital program includes capital to fund advanced networks and services including 4G LTE and FiOS the continued expansion of our core networks including our IP and data center enhancements, maintenance and support for our legacy voice networks and other expenditures to drive operating efficiencies The level and the timing of the Company's capital expenditures within these broad categories can vary significantly as a result of a variety of factors outside our control, including, for example, material weather events We are replacing copper wire with fiber-optic cable which will not alter our capital program but should result in lower maintenance costs in the future Capital expenditures were $16 6 billion in 2013 and $16 2 billion in 2012, respectively We believe that we have significant discretion over the amount and timing of our capital expenditures on a Company wide basis as we are not subject to any agreement that would require significant capital expenditures on a designated schedule or upon the occurrence of designated events We expect capital expenditures in 2014 to be in the range of approximately $16 5 billion to $17 0 billion and we also expect our capital expenditures as a percentage of revenue to decline in 2014 from 2013 levels

Cash Flows from Operations

We create value for our shareowners by investing the cash flows generated by our business in opportunities and transactions that support continued profitable growth thereby increasing customer satisfaction and usage of our products and services In addition, we have used our cash flows to maintain and grow our dividend payout to shareowners Verizon's Board of Directors increased the Company's quarterly dividend by 2 9% during 2013 making this the seventh consecutive year in which we have raised our dividend After the closing of the Wireless Transaction our Provision for income taxes is expected to increase due to our 100% ownership of Verizon Wireless We also expect our cash taxes paid to increase due to our 100% ownership of Verizon Wireless, and to a much lesser degree due to bonus depreciation not being extended beyond December 31 2013 Additionally, our interest expense is expected to increase as a result of the debt issued to finance the Wireless Transaction As a result of these factors, we expect Cash Flows from Operations to be negatively impacted in 2014 Partially offsetting these negative impacts to Cash Flows from Operations will be the discontinuation of cash distributions from Verizon Wireless to Vodafone which have historically reduced our Cash Flows from Financing Activities

Our goal is to use our cash to create long-term value for our shareholders We will continue to look for investment opportunities that will help us to grow the business We expect to use our cash to reduce our debt levels, pay dividends to our shareholders and, when appropriate buy back shares of our outstanding common stock (see Cash Flows from Financing Activities) and invest in spectrum licenses (see Cash Flows from Investing Activities) During 2013, we purchased 3 50 million shares under our share buyback authorization There were no repurchases of common stock during 2012 or 2011

In this section, we discuss our overall results of operations and highlight items of a non-operational nature that are not included in our segment results. We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services In "Segment Results of Operations," we review the performance of our two reportable segments

Corporate, eliminations and other includes unallocated corporate expenses such as certain pension and other employee benefit related costs, intersegment eliminations recorded in consolidation, the results of other businesses such as our investments in unconsolidated businesses, lease financing and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance We believe that this presentation assists users of our financial statements in better understanding our results of operations and trends from period to period

Consolidated Revenues

(dollars in millions)

				Increase/(Decrease)			
Years Ended December 31	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Wireless							
Service revenue	$ 69,033	$ 63,733	$ 59,157	$ 5,300	8 3%	$ 4,576	7 7%
Equipment and other	11,990	12,135	10,997	(145)	(1 2)	1,138	10 3
Total	81,023	75,868	70,154	5,155	6 8	5 714	8 1
Wireline							
Mass Markets	17,328	16,702	16,337	626	3 7	365	2 2
Global Enterprise	14,703	15,299	15,622	(596)	(3 9)	(323)	(2 1)
Global Wholesale	6,714	7,240	7,973	(526)	(7 3)	(733)	(9 2)
Other	478	539	750	(61)	(11 3)	(211)	(28 1)
Total	39,223	39,780	40,682	(557)	(1 4)	(902)	(2 2)
Corporate, eliminations and other	304	198	39	106	53 5	159	nm
Consolidated Revenues	$ 120,550	$ 115,846	$ 110,875	$ 4,704	4 1	$ 4,971	4 5

nm – not meaningful

2013 Compared to 2012

The increase in consolidated revenues during 2013 compared to 2012 was primarily due to higher revenues at Wireless, as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise at our Wireline segment Partially offsetting these increases were lower Global Enterprise, Core and Global Wholesale revenues at our Wireline segment

Wireless revenues increased $5 2 billion or 6 8% during 2013 compared to 2012 due to growth in service revenue Service revenue increased during 2013 compared to 2012 primarily driven by higher retail postpaid service revenue which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of smartphones tablets and other Internet devices through our Share Everything plans Retail postpaid connection net additions decreased during 2013 compared to 2012 primarily due to an increase in our retail postpaid connection churn rate partially offset by an increase in retail postpaid connection gross additions Retail postpaid connections per account increased as of December 31 2013 compared to December 31, 2012 primarily due to the increased penetration of tablets and other Internet devices

Wireline's revenues decreased $0 6 billion, or 1 4%, during 2013 compared to 2012 primarily driven by declines in Global Enterprise Core and Global Wholesale partially offset by higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise

Mass Markets revenues increased $0 6 billion or 3 7% during 2013 compared to 2012 due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues

Global Enterprise revenues decreased $0.6 billion, or 3.9%, during 2013 compared to 2012 primarily due to a decline in Core customer premise equipment revenues and lower voice services and data networking revenues. This decrease was partially offset by growth in Strategic services revenues, primarily due to an increase in advanced services such as contact center solutions, IP communications, and our cloud and data center offerings as well as revenue from a telematics services business that we acquired in the third quarter of 2012.

Global Wholesale revenues decreased $0.5 billion, or 7.3%, during 2013 compared to 2012 primarily due to a decline in traditional voice revenues as a result of decreased minutes of use (MOUs) and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers.

Other revenues decreased during 2013 compared to 2012 primarily due to reduced volumes outside of our network footprint.

2012 Compared to 2011

The increase in consolidated revenues during 2012 compared to 2011 was primarily due to higher revenues at Wireless, as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise at our Wireline segment. Partially offsetting these increases were lower Global Wholesale and Global Enterprise Core revenues at our Wireline segment.

Wireless' revenues increased during 2012 compared to 2011 due to growth in both service and equipment and other revenue. Service revenue increased during 2012 compared to 2011 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections of 5.1 million in 2012, as well as the continued increase in penetration of smartphones. Retail postpaid connections per account increased during 2012 compared to 2011 primarily due to the increased use of tablets and other Internet devices. In 2012, the increase in retail postpaid connection net additions was primarily due to an increase in retail postpaid and prepaid connection gross additions and improvements in our retail connections churn rate. Higher retail postpaid connection gross additions during 2012 primarily reflect the launch of our Share Everything plans coupled with new device introductions during the second half of 2012.

Equipment and other revenue increased during 2012 compared to 2011 primarily due to an increase in device upgrade fees, regulatory fees and equipment sales.

Wireline's revenues decreased during 2012 compared to 2011 primarily driven by declines in Global Wholesale, Global Enterprise Core and Other revenues, partially offset by higher revenues in Mass Markets driven by FiOS services and higher revenues from Strategic services.

Mass Markets revenues increased during 2012 compared to 2011 due to the expansion of FiOS services as well as changes in our pricing strategy adopted in 2012, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased during 2012 compared to 2011 primarily due to lower local services and traditional circuit-based revenues, a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation. This decrease was partially offset by higher Strategic services revenues, primarily due to growth in advanced services, such as managed network solutions, contact center solutions, IP communications and our cloud and data center offerings.

Global Wholesale revenues decreased during 2012 compared to 2011 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers.

Other revenues decreased during 2012 compared to 2011 primarily due to reduced volumes outside of our network footprint.

Consolidated Operating Expenses

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs. 2012		2012 vs 2011	
Cost of services and sales	$ 44,887	$ 46,275	$ 45,875	$ (1,388)	(3.0)%	$ 400	0.9%
Selling, general and administrative expense	27,089	39,951	35,624	(12,862)	(32.2)	4,327	12.1
Depreciation and amortization expense	16,606	16,460	16,496	146	0.9	(36)	(0.2)
Consolidated Operating Expenses	$ 88,582	$102,686	$ 97,995	$ (14,104)	(13.7)	$ 4,691	4.8

Consolidated operating expenses decreased during 2013 primarily due to non-operational credits recorded in 2013 as well as non-operational charges recorded in 2012 (see "Other Items"). Consolidated operating expenses increased during 2012 primarily due to higher non-operational charges (see "Other Items") as well as increased operating expenses at Wireless.

2013 Compared to 2012

Cost of Services and Sales

Cost of services and sales includes the following costs directly attributable to a service or product: salaries and wages, benefits, materials and supplies, content costs, contracted services, network access and transport costs, wireless equipment costs, customer provisioning costs, computer systems support costs to support our outsourcing contracts and technical facilities and contributions to the Universal Service Fund. Aggregate customer care costs, which include billing and service provisioning, are allocated between Cost of services and sales and Selling, general and administrative expense.

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in cost of equipment sales, decreased data roaming, a decline in cost of data services and a decrease in network connection costs at our Wireless segment, as well as a decrease in costs related to customer premise equipment, a decline in access costs and the net effect of storm-related insurance recoveries at our Wireline segment. Partially offsetting these decreases were higher content costs associated with continued FiOS subscriber growth and vendor rate increases at our Wireline segment, as well as increases in cost of network services at our Wireless segment.

Selling, General and Administrative Expense

Selling, general and administrative expense includes: salaries and wages and benefits not directly attributable to a service or product, bad debt charges, taxes other than income taxes, advertising and sales commission costs, customer billing, call center and information technology costs, regulatory fees, professional service fees, and rent and utilities for administrative space. Also included are a portion of the aggregate customer care costs as discussed in "Cost of Services and Sales" above.

Selling, general and administrative expense decreased during 2013 compared to 2012 primarily due to the non-operational credits recorded in 2013 and declines in employee costs at our Wireline segment, as well as the non-operational charges recorded in 2012 (see "Other Items"). This decrease was partially offset by higher sales commission expense at our Wireless segment.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during 2013 compared to 2012 primarily due to an increase in net depreciable assets at our Wireless segment and an increase in amortization expense at our Wireline segment. These increases were partially offset by a decline in net depreciable assets at our Wireline segment.

2012 Compared to 2011

Cost of Services and Sales

Cost of services and sales increased during 2012 compared to 2011 primarily due to higher cost of equipment sales, increased cost of network services and increased data roaming, partially offset by a decrease in cost for data services, a decrease in network connection costs and a decrease in the cost of loop distance at our Wireless segment. Also contributing to the increase were higher content costs associated with continued FiOS subscriber growth and vendor rate increases, increased expenses related to our cloud and data center offering, higher costs related to FiOS installation as well as higher repair and maintenance expenses caused by storm-related events in 2012, partially offset by declines in access costs and customer premise equipment costs at our Wireline segment.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during 2012 compared to 2011 primarily due to higher non-operational charges (see "Other Items") as well as higher sales commission expense and costs associated with regulatory fees at our Wireless segment.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased during 2012 compared to 2011 primarily due to a decrease in depreciable assets at our Wireline segment, partially offset by an increase in amortization expense related to non-network software.

Non-operational (Credits) Charges

Non-operational (credits) charges included in operating expenses (see "Other Items") were as follows:

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Gain on Spectrum License Transaction			
Selling, general and administrative expense	$ (278)	$ –	$ –
Severance, Pension and Benefit (Credits) Charges			
Selling, general and administrative expense	(6,232)	7,186	5,954
Litigation Settlements			
Selling, general and administrative expense	–	384	–
Other Costs			
Cost of services and sales	–	40	–
Selling, general and administrative expense	–	236	–
	–	276	–
Total non-operating (credits) charges included in operating expenses	$ (6,510)	$ 7,846	$ 5,954

See "Other Items" for a description of other non-operational items.

Consolidated Operating Income and EBITDA

Consolidated earnings before interest, taxes, depreciation and amortization expenses (Consolidated EBITDA) and Consolidated Adjusted EBITDA, which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in earnings of unconsolidated businesses and other income and (expense) net to net income.

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items from the calculation of Consolidated EBITDA. Management believes that this measure provides additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. See "Other Items" for additional details regarding these non-operational items.

Operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions. The adjustment has been recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

			(dollars in millions)
Years Ended December 31,	2013	2012	2011
Consolidated Operating Income	$ 31,968	$ 13,160	$ 12,880
Add Depreciation and amortization expense	16,606	16,460	16,496
Consolidated EBITDA	48,574	29,620	29,376
Add (Less) Non-operating (credits) charges included in operating expenses	(6,510)	7,846	5,954
Consolidated Adjusted EBITDA	$ 42,064	$ 37,466	$ 35,330

The changes in Consolidated Operating Income, Consolidated EBITDA and Consolidated Adjusted EBITDA in the table above were primarily a result of the factors described in connection with operating revenues and operating expenses.

Other Consolidated Results

Equity in Earnings of Unconsolidated Businesses

Equity in earnings of unconsolidated businesses decreased $182 million, or 56.2%, in 2013 compared to 2012 primarily due to lower earnings from operations at Vodafone Omnitel N.V. (Vodafone Omnitel). The decrease during 2013 was partially offset by an immaterial gain recorded by Verizon Wireless upon obtaining control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated.

Equity in earnings of unconsolidated businesses decreased $120 million, or 27.0%, in 2012 compared to 2011 primarily due to lower earnings from operations at Vodafone Omnitel and, to a lesser extent, the devaluation of the Euro against the U.S. dollar.

As part of the consideration of the Wireless Transaction, a subsidiary of Verizon sold its entire ownership interest in Vodafone Omnitel to a subsidiary of Vodafone on February 21, 2014.

Other Income and (Expense), Net

Additional information relating to Other income and (expense), net is as follows:

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Interest income	$ 64	$ 57	$ 68	$ 7	12.3%	$ (11)	(16.2)%
Other, net	(230)	(1,073)	(82)	843	(78.6)	(991)	nm
Total	$ (166)	$ (1,016)	$ (14)	$ 850	(83.7)	$ (1,002)	nm

nm – not meaningful

Other income and (expense), net decreased during 2013 compared to 2012 primarily due to fees of $1.1 billion incurred in 2012 related to the early redemption of debt, partially offset by $0.2 billion of fees incurred during the fourth quarter of 2013 as a result of the termination of a bridge credit agreement upon the effectiveness of a term loan agreement (see "Other Items").

Other income and (expense), net increased during 2012 compared to 2011 primarily driven by higher fees of $1.1 billion related to the early redemption of debt (see "Other Items").

Interest Expense

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Total interest costs on debt balances	$ 3,421	$ 2,977	$ 3,269	$ 444	14.9%	$ (292)	(8.9)%
Less Capitalized interest costs	754	406	442	348	85.7	(36)	(8.1)
Total	$ 2,667	$ 2,571	$ 2,827	$ 96	3.7	$ (256)	(9.1)
Average debt outstanding	$65,959	$52,949	$55,629				
Effective interest rate	5.2%	5.6%	5.9%				

Total interest costs on debt balances increased during 2013 compared to 2012 primarily due to the issuance of $49.0 billion of fixed and floating rate notes to finance the Wireless Transaction (see "Acquisitions and Divestitures") resulting in an increase in average debt as well as an incremental increase in interest expense of $0.7 billion, partially offset by a lower effective interest rate (see "Consolidated Financial Condition"). Capitalized interest costs were higher in 2013 primarily due to increases in wireless licenses that are currently under development.

Total interest costs on debt balances decreased during 2012 compared to 2011 primarily due to a $2.7 billion decrease in average debt (see "Consolidated Financial Condition") and a lower effective interest rate. Capitalized interest costs were lower in 2012 primarily due to our ongoing deployment of the 4G LTE network.

Provision (Benefit) for Income Taxes

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs 2011	
Provision (Benefit) for income taxes	$ 5,730	$ (660)	$ 285	$ 6,390	nm	$ (945)	nm
Effective income tax rate	19.6 %	(6.7)%	2.7 %				

nm – not meaningful

The effective income tax rate is calculated by dividing the provision for income taxes by income before the provision for income taxes. Our effective income tax rate is significantly lower than the statutory federal income tax rate for all years presented due to the inclusion of income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership within our income before the provision for income taxes. In 2013 and 2011, we recorded a tax provision on income before the provision for income taxes and when we included the income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership in our income before the provision for income taxes it resulted in our effective income tax rate being 13.7 percentage points lower during 2013 and 7.9 percentage points lower during 2011. In 2012, we recorded a tax benefit on income before the provision for income taxes, which resulted in a negative effective income tax rate. In this circumstance, including the income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership in our income before the provision for income taxes resulted in our negative effective tax rate being 300.3 percentage points higher during 2012.

Verizon completed the acquisition of Vodafone's 45% indirect ownership interest in Verizon Wireless on February 21, 2014. Our provision for income taxes, our effective income tax rate subsequent to the closing will reflect the change in Verizon's ownership interest in Verizon Wireless. Our provision for income taxes and effective income tax rate will increase subsequent to the closing due to the inclusion of the provision for income taxes previously attributable to Vodafone's ownership interest.

The effective income tax rate for 2013 was 19.6% compared to (6.7)% for 2012. The increase in the effective income tax rate and provision for income taxes was primarily due to higher income before income taxes as a result of severance, pension and benefit credits recorded during 2013 compared to lower income before income taxes as a result of severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

The effective income tax rate for 2012 was (6.7)% compared to 2.7% for 2011. The negative effective income tax rate for 2012 and the decrease in the provision for income taxes during 2012 compared to 2011 was primarily due to lower income before income taxes as a result of higher severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

A reconciliation of the statutory federal income tax rate to the effective income tax rate for each period is included in Note 12 to the consolidated financial statements.

Net Income Attributable to Noncontrolling Interests

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Net income attributable to noncontrolling interests	$ 12,050	$ 9,682	$ 7,794	$ 2,368	24.5 %	$ 1,888	24.2 %

The increases in Net income attributable to noncontrolling interests during 2013 compared to 2012 and 2012 compared to 2011 were due to higher earnings in our Verizon Wireless segment, which had a 45% noncontrolling partnership interest attributable to Vodafone as of December 31, 2013.

We expect Net income attributable to noncontrolling interests to decline substantially in 2014 as a result of the Wireless Transaction (see "Acquisitions and Divestitures"). The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnerships.

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income. The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance.

Segment earnings before interest, taxes, depreciation and amortization (Segment EBITDA), which is presented below, is a non-GAAP measure and does not purport to be an alternative to operating income as a measure of operating performance. Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income.

Wireless Segment EBITDA service margin, also presented below, is calculated by dividing Wireless Segment EBITDA by Wireless service revenues. Wireless Segment EBITDA service margin utilizes service revenues rather than total revenues. Service revenues primarily exclude equipment revenues in order to reflect the impact of providing service to the wireless customer base on an ongoing basis. Wireline EBITDA margin is calculated by dividing Wireline EBITDA by total Wireline revenues. You can find additional information about our segments in Note 13 to the consolidated financial statements.

Wireless

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. Verizon Wireless provides wireless communications services across one of the most extensive wireless networks in the United States. As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, the Wireless Transaction was completed, and Verizon acquired 100% ownership of Verizon Wireless.

We provide these services and equipment sales to consumer, business and government customers in the United States on a postpaid and prepaid basis. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance, and usage beyond the allowance is billed monthly in arrears. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

All financial results included in the tables below reflect the consolidated results of Verizon Wireless.

Operating Revenues and Selected Operating Statistics

(dollars in millions, except ARPA)

				Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Retail service	$ 66,334	$ 61,440	$ 56,660	$ 4,894	8.0%	$ 4,780	8.4%
Other service	2,699	2,293	2,497	406	17.7	(204)	(8.2)
Service revenue	69,033	63,733	59,157	5,300	8.3	4,576	7.7
Equipment and other	11,990	12,135	10,997	(145)	(1.2)	1,138	10.3
Total Operating Revenues	$ 81,023	$ 75,868	$ 70,154	$ 5,155	6.8	$ 5,714	8.1
Connections ('000) [1]							
Retail connections	102,799	98,230	92,167	4,569	4.7	6,063	6.6
Retail postpaid connections	96,752	92,530	87,382	4,222	4.6	5,148	5.9
Net additions in period ('000) [2]							
Retail connections	4,472	5,917	4,624	(1,445)	(24.4)	1,293	28.0
Retail postpaid connections	4,118	5,024	4,252	(906)	(18.0)	772	18.2
Churn Rate							
Retail connections	1.27%	1.19%	1.26%				
Retail postpaid connections	0.97%	0.91%	0.95%				
Account Statistics							
Retail postpaid ARPA	$ 153.93	$ 144.04	$ 134.51	$ 9.89	6.9	$ 9.53	7.1
Retail postpaid accounts ('000) [1]	35,083	35,057	34,561	26	0.1	496	1.4
Retail postpaid connections per account [1]	2.76	2.64	2.53	0.12	4.5	0.11	4.3

[1] As of end of period

[2] Excluding acquisitions and adjustments

2013 Compared to 2012

The increase in Wireless' total operating revenues of $5.2 billion, or 6.8%, during 2013 compared to 2012 was primarily the result of growth in service revenue.

Retail postpaid connection net additions decreased during 2013 compared to 2012 primarily due to an increase in our retail postpaid connection churn rate, partially offset by an increase in retail postpaid connection gross additions.

Retail Postpaid Connections per Account

Retail postpaid connections per account is calculated by dividing the total number of retail postpaid connections by the number of retail postpaid accounts as of the end of the period. Retail postpaid connections per account increased 4.5% as of December 31, 2013 compared to December 31, 2012 primarily due to the increased penetration of tablets and other Internet devices.

Service Revenue

Service revenue increased $5.3 billion, or 8.3%, during 2013 compared to 2012 primarily driven by higher retail postpaid service revenue which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of smartphones, tablets and other Internet devices through our Share Everything plans. The penetration of smartphones was driven by the activation of smartphones by new customers as well as existing customers migrating from basic phones to smartphones.

The increase in retail postpaid ARPA (the average revenue per account from retail postpaid accounts) during 2013 compared to 2012 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. As of December 31, 2013, we experienced a 4.2% increase in retail postpaid connections per account compared to 2012, with smartphones representing 70% of our retail postpaid phone base as of December 31, 2013 compared to 58% as of December 31, 2012. The increased penetration in retail postpaid connections per account is primarily due to increases in Internet data devices, which represented 10.7% of our retail postpaid connection base as of December 31, 2013 compared to 9.3% as of December 31, 2012, primarily due to activations of tablets and other Internet devices. Additionally, during 2013, postpaid smartphone activations represented 86% of phones activated compared to 77% during 2012.

Other service revenue increased during 2013 compared to 2012 due to growth in wholesale connections, partially offset by a decrease in revenue related to third party roaming.

Equipment and Other Revenue

Equipment and other revenue decreased during 2013 compared to 2012 as a decline in regulatory fees was partially offset by an increase in revenue related to upgrade fees.

2012 Compared to 2011

The increase in Wireless' total operating revenues during 2012 compared to 2011 was the result of growth in both service and equipment and other revenue.

Accounts and Connections

Retail connection net additions increased during 2012 compared to 2011 primarily due to an increase in retail postpaid and prepaid connection gross additions and improvements in our retail connections churn rate. Higher retail postpaid connection gross additions during 2012 primarily reflected the launch of our Share Everything plans coupled with new device introductions during the second half of 2012.

Retail Postpaid Connections per Account

Retail postpaid connections per account increased during 2013 compared to 2011 primarily due to the increased use of tablets and other Internet devices.

Service Revenue

Service revenue increased during 2012 compared to 2011 primarily driven by higher retail postpaid service revenue which increased largely as a result of an increase in retail postpaid connections of 5.4 million in 2012 as well as the continued increase in penetration of smartphones. This increased penetration also contributed to the increase in our retail postpaid ARPA.

Accounts and Connections

Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Accounts include Share Everything plans and corporate accounts as well as legacy single connection plans and family plans. A single account may receive monthly wireless services for a variety of connected devices. Retail connections represent our retail customer device connections. Churn is the rate at which service to connections is terminated.

Retail connections under an account may include smartphones, basic phones, tablets and other Internet devices, as well as Home Phone Connect and Home Fusion. We expect to continue to experience retail connection growth based on the strength of our product offerings and network service quality.

The increase in retail postpaid ARPA during 2012 compared to 2011 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. During 2012, we experienced a 4.3% increase in retail postpaid connections per account compared to 2011, with smartphones representing 58% of our retail postpaid phone base as of December 31, 2012 compared to 43.5% as of December 31, 2011. The increase in retail postpaid connections per account was primarily due to increases in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to 8.1% as of December 31, 2011 primarily due to strong sales of tablets and Jetpacks™.

Other service revenue decreased during 2012 compared to 2011 primarily as a result of a decrease in third party roaming revenue.

Equipment and Other Revenue

Equipment and other revenue increased during 2012 compared to 2011 primarily due to increases in device upgrade fees, regulatory fees and equipment sales

Operating Expenses

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Cost of services and sales	$ 23,648	$ 24,490	$ 24,086	$ (842)	(3.4)%	$ 404	1.7%
Selling, general and administrative expense	23,176	21,650	19,579	1,526	7.0	2,071	10.6
Depreciation and amortization expense	8,202	7,960	7,962	242	3.0	(2)	–
Total Operating Expenses	$ 55,026	$ 54,100	$ 51,627	$ 926	1.7	$ 2,473	4.8

Cost of Services and Sales

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in cost of equipment sales of $0.4 billion, which was partially due to a decline in postpaid upgrades, decreased data roaming, a decline in cost of data services and a decrease in network connection costs due to the deployment of Ethernet backhaul facilities primarily targeted at sites upgrading to 4G LTE, partially offset by an increase in cost of network services.

Cost of services and sales increased during 2012 compared to 2011 primarily due to $0.7 billion in higher cost of equipment sales, which was driven by increased sales of higher cost smartphones, increased cost of network services and increased data roaming, partially offset by a decrease in cost for data services, a decrease in network connection costs due to the ongoing deployment of Ethernet backhaul facilities primarily targeted at sites upgrading to 4G LTE and a decrease in the cost of long distance.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during 2013 compared to 2012 primarily due to higher sales commission expense in our indirect channel. Indirect sales commission expense increased $1.1 billion during 2013 compared to 2012 primarily as a result of increases in indirect gross additions and upgrades, as well as the average commission per unit, as the mix of units continues to shift toward smartphones and more customers activate data services.

Selling, general and administrative expense increased during 2012 compared to 2011 primarily due to higher sales commission expense in our indirect channel as well as costs associated with regulatory fees. Indirect sales commission expense increased $1.3 billion during 2012 compared to 2011 primarily as a result of increases in the average commission per unit, as the mix of units continued to shift toward smartphones and more customers activated data services.

Depreciation and Amortization Expense

The increase in depreciation and amortization expense during 2013 compared to 2012 was primarily driven by an increase in net depreciable assets. Depreciation and amortization expense was essentially unchanged during 2012 compared to 2011.

Segment Operating Income and EBITDA

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Segment Operating Income	$ 25,997	$ 21,768	$ 18,527	$ 4,229	19.4%	$ 3,241	17.5%
Add Depreciation and amortization expense	8,202	7,960	7,962	242	3.0	(2)	–
Segment EBITDA	$ 34,199	$ 29,728	$ 26,489	$ 4,471	15.0	$ 3,239	12.2
Segment operating income margin	32.1%	28.7%	26.4%				
Segment EBITDA service margin	49.5%	46.6%	44.8%				

The changes in the table above during the periods presented were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-recurring or non-operational items excluded from Wireless' Operating income were as follows:

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Gain on spectrum license transaction	$ (278)	$ –	$ –
Severance, pension and benefit (credits) charges	(61)	37	76
	$ (339)	$ 37	$ 76

Wireline

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

Operating Revenues and Selected Operating Statistics

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Consumer retail	$ 14,737	$ 14,043	$ 13,606	$ 694	4.9%	$ 437	3.2%
Small business	2,591	2,659	2,731	(68)	(2.6)	(72)	(2.6)
Mass Markets	17,328	16,702	16,337	626	3.7	365	2.2
Strategic services	8,470	8,052	7,575	368	4.6	477	6.3
Core	6,233	7,247	8,047	(964)	(13.3)	(800)	(9.9)
Global Enterprise	14,703	15,299	15,622	(596)	(3.9)	(323)	(2.1)
Global Wholesale	6,714	7,240	7,973	(526)	(7.3)	(733)	(9.2)
Other	478	539	750	(61)	(11.3)	(211)	(28.1)
Total Operating Revenues	$ 39,223	$ 39,780	$ 40,682	$ (557)	(1.4)	$ (902)	(2.2)
Connections (000) [a]							
Total voice connections	21,085	22,503	24,137	(1,418)	(6.3)	(1,634)	(6.8)
Total Broadband connections	9,015	8,795	8,670	220	2.5	125	1.4
FiOS Internet subscribers	6,072	5,424	4,817	648	11.9	607	12.6
FiOS Video subscribers	5,262	4,726	4,173	536	11.3	553	13.3

[a] As of end of period

Wireline's revenues decreased $0.6 billion, or 1.4%, during 2013 compared to 2012 primarily driven by declines in Global Enterprise Core and Global Wholesale, partially offset by higher Consumer retail revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers.

2013 Compared to 2012

Mass Markets revenues increased $0.6 billion, or 3.7%, during 2013 compared to 2012 primarily due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

During 2013, we grew our subscriber base by 0.6 million FiOS Internet subscribers and by 0.5 million FiOS Video subscribers, while also consistently improving penetration rates within our FiOS service areas. As of December 31, 2013, we achieved penetration rates of 39.5% and 35.0% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 37.5% and 33.3% for FiOS Internet and FiOS Video, respectively, at December 31, 2012.

The increase in Mass Markets revenues, driven by FiOS services, was partially offset by the decline of local exchange revenues primarily due to a 5.2% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, VoIP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections, primarily reflecting competition and a shift to both IP and high-speed circuits.

2012 Compared to 2011

Mass Markets revenues increased during 2012 compared to 2011 primarily due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategy adopted in 2012, partially offset by the continued decline of local exchange revenues.

We continued to grow our subscriber base and improved penetration rates within our FiOS service areas during 2012. Also contributing to the increase in revenue from FiOS services were changes in our pricing strategy adopted in 2012. As of December 31, 2012, we achieved penetration rates of 37.3% and 33.3% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 35.5% and 31.5% for FiOS Internet and FiOS Video, respectively, at December 31, 2011.

Mass Markets revenues were negatively impacted by the decline of local exchange revenues primarily due to a 6.1% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, VoIP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections primarily reflecting challenging economic conditions, competition and a shift to both IP and high-speed circuits.

Global Enterprise

Global Enterprise offers Strategic services including network products and solutions, advanced communications services, and other core communications services to medium and large business customers, multinational corporations and state and federal government customers.

2013 Compared to 2012

Global Enterprise revenues decreased $0.6 billion, or 3.9%, during 2013 compared to 2012 primarily due to a $0.5 billion, or 27.1%, decline in Core customer premise equipment revenues as well as lower voice services and data networking revenues, which consist of traditional circuit-based services such as frame relay, private line and Asynchronous Transfer Mode (ATM) services. These core services declined in 2013 compared to 2012 as our customer base continued to migrate to next generation IP services. The decline in customer premise equipment revenues reflected our focus on improving margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. The decline is also due to lower revenue from public sector customers. This decrease was partially offset by growth in Strategic services revenues, which increased $0.4 billion, or 4.6%, during 2013 compared to 2012 primarily due to growth in advanced services, such as contact center solutions, IP communications and our cloud and data center offerings, as well as revenue from a telematics services business that we acquired in the third quarter of 2012.

2012 Compared to 2011

Global Enterprise revenues decreased during 2012 compared to 2011 primarily due to lower local services and traditional circuit-based revenues, a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation. Core services declined compared to the similar period in 2011 as our customer base continued to migrate to next generation IP services. The decline in customer premise equipment revenues reflected our focus on improving margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. This decrease was partially offset by higher Strategic services revenues. Strategic services revenues increased primarily due to growth in advanced services, such as managed network solutions, contact center solutions, IP communications and our cloud and data center offerings.

Global Wholesale

Global Wholesale provides communications services including data, voice and local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers.

2013 Compared to 2012

Global Wholesale revenues decreased $0.5 billion, or 7.3%, during 2013 compared to 2012 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a 5.2% decline in domestic wholesale connections. The traditional voice product reductions are primarily due to competitors de-emphasizing their local market initiatives coupled with the effect of technology substitution. Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers. As a result of the customer upgrades, the number of core data circuits experienced an 11.3% decline compared to the similar period in 2012.

2012 Compared to 2011

Global Wholesale revenues decreased during 2012 compared to 2011 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a 5.3% decline in domestic wholesale connections. The traditional voice product reductions are primarily due to the continued impact of competitors de-emphasizing their local market initiatives coupled with the impact of technology substitution. Also contributing to the decline in voice revenues is the elimination of low margin international products and the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers. As a result of the customer upgrades, the number of core data circuits experienced a 9.6% decline compared to the similar period in 2011. We expect Global Wholesale revenue to continue to decline approximately 10% per quarter compared to the similar period in 2011 as we believe that the continued decline in core products will only be partially offset by growth in Ethernet and IP services.

Other

Other revenues include such services as local exchange and long distance services outside of our network footprint and operator services which are no longer being marketed. The decrease in revenues from other services during 2013 and 2012 was primarily due to reduced volumes outside of our network footprint.

Operating Expenses

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Cost of services and sales	$ 21,928	$ 22,413	$ 22,158	$ (485)	(2.2)%	$ 255	1.2 %
Selling, general and administrative expense	8,595	8,883	9,107	(288)	(3.2)	(224)	(2.5)
Depreciation and amortization expense	8,327	8,424	8,458	(97)	(1.2)	(34)	(0.4)
Total Operating Expenses	$ 38,850	$ 39,720	$ 39,723	$ (870)	(2.2)	$ (3)	-

Cost of Services and Sales

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in costs related to customer premise equipment which reflected our focus on improving margins by de-emphasizing sales of equipment that are not part of an overall enterprise solutions bundle, a decline in access costs resulting primarily from declines in overall wholesale long distance volumes and the net effect of storm-related insurance recoveries. These decreases were partially offset by higher content costs associated with continued FiOS subscriber growth and vendor rate increases.

Cost of services and sales increased during 2012 compared to 2011 primarily due to higher content costs associated with continued FiOS subscriber growth and vendor rate increases and increased expenses related to our cloud and data center offerings. Cost of services and sales was also impacted by higher costs related to FiOS installation, as well as higher repair and maintenance expenses caused by storm-related events in 2012 compared to 2011. The increases were partially offset by a decline in access costs primarily from management actions to reduce exposure to unprofitable international wholesale routes and declines in overall wholesale long distance volumes. Costs related to customer premise equipment also decreased, which reflected our focus on improving margins by de-emphasizing sales of equipment that are not part of an overall enterprise solutions bundle.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased during 2013 compared to 2012 primarily due to declines in employee costs, primarily as a result of reduced headcount, and declines in rent expenses, partially offset by higher transaction and property tax expenses.

Selling, general and administrative expense decreased during 2012 compared to 2011 primarily due to lower allocations related to centralized administrative functions and to a lesser extent, lower property and transaction tax expenses and employee costs.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased during 2013 compared to 2012, as well as 2012 compared to 2011, due to decreases in net depreciable assets, partially offset by an increase in amortization expense related to non-network software.

Segment Operating Income and EBITDA

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	**2013**	**2012**	**2011**	**2013 vs. 2012**		**2012 vs 2011**	
Segment Operating Income	$ 373	$ 60	$ 959	$ 313	nm	$ (899)	(93.7)%
Add Depreciation and amortization expense	8,327	8,424	8,458	(97)	(1.2)%	(34)	(0.4)
Segment EBITDA	$ 8,700	$ 8,484	$ 9,417	$ 216	2.5	$ (933)	(9.9)
Segment operating income margin	1.0%	0.2%	2.4%				
Segment EBITDA margin	22.2%	21.3%	23.1%				

nm – not meaningful

The changes in Wireline's Operating income, Segment EBITDA and Segment EBITDA margin during the periods presented were primarily a result of the factors described in connection with operating revenues and operating expenses.

During 2012, $0.1 billion of non-recurring or non-operational items were excluded from Wireline's Operating income.

Gain on Spectrum License Transaction

During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the gain on the spectrum license transaction described above.

Wireless Transaction Costs

During 2013, as a result of the Wireless Transaction, we recorded costs of $0.9 billion primarily for interest expense of $0.7 billion related to the issuance of the new notes, as well as $0.2 billion in fees primarily in connection with the bridge credit agreement (see "Consolidated Financial Condition").

Severance, Pension and Benefit (Credits) Charges

During 2013, we recorded net pre-tax severance, pension and benefits credits of approximately $6.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The credits were primarily driven by an increase in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4.2% at December 31, 2012 to a weighted-average of 5.0% at December 31, 2013 ($4.3 billion), lower than assumed retiree medical costs and other assumption adjustments ($1.4 billion) and the difference between our estimated return on assets of 7.5% at December 31, 2012 and our actual return on assets of 8.6% at December 31, 2013 ($0.5 billion).

During 2012, we recorded net pre-tax severance, pension and benefits charges of approximately $7.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from a weighted-average of 5% at December 31, 2011 to a weighted-average of 4.2% at December 31, 2012 ($5.3 billion) and revisions to the retirement assumptions for participants and other assumption adjustments, partially offset by the difference between our estimated return on assets of 7.5% and our actual return on assets of 10% ($0.7 billion). As part of this charge, we also recorded $1.0 billion related to the annuitization of pension liabilities (see "Employee Benefit Plan Funded Status and Contributions") as well as severance charges of $0.4 billion primarily for approximately 4,000 management employees.

During 2011, we recorded net pre-tax severance, pension and benefits charges of approximately $6.0 billion for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from 5.75% at December 31, 2010 to 5% at December 31, 2011 ($5.0 billion), the difference between our estimated return on assets of 8% and our actual return on assets of 5% ($0.9 billion), and revisions to the life expectancy of participants and other adjustments to assumptions.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the severance, pension and benefit (credits) charges presented above.

Early Debt Redemption and Other Costs

During November 2012, we recorded debt redemption costs of $0.8 billion in connection with the purchase of $0.9 billion of the $1.25 billion of 8.95% Verizon Communications Notes due 2039 in a cash tender offer.

During December 2012, we recorded debt redemption costs of $0.3 billion in connection with the early redemption of $0.7 billion of the $2.0 billion of 8.75% Verizon Communications Notes due 2018, $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 and $0.75 billion of 4.35% Verizon Communications Notes due February 2013; as well as $0.3 billion of other costs.

During November 2011, we recorded debt redemption costs of $0.1 billion in connection with the early redemption of $1.0 billion of 7.375% Verizon Communications Notes due September 2012, $0.6 billion of 6.875% Verizon Communications Notes due June 2012, $0.4 billion of 6.125% Verizon Florida Inc. Debentures due January 2013, $0.5 billion of 6.125% Verizon Maryland Inc. Debentures due March 2012 and $1.0 billion of 6.875% Verizon New York Inc. Debentures due April 2012.

Litigation Settlements

In the third quarter of 2012, we settled a number of patent litigation matters, including cases with ActiveVideo Networks Inc. (ActiveVideo) and TiVo Inc. (TiVo). In connection with the settlements with ActiveVideo and TiVo, we recorded a charge of $0.4 billion in the third quarter of 2012 and will pay and recognize over the following six years an additional $0.2 billion.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the litigation settlement costs presented above.

		(dollars in millions)	
Years Ended December 31,	2013	2012	2011
Cash Flows Provided By (Used In)			
Operating activities	$ 38,818	$ 31,486	$ 29,760
Investing activities	(14,833)	(20,502)	(17,250)
Financing activities	26,450	(21,253)	(5,836)
Increase (Decrease) In Cash and Cash Equivalents	$ 50,435	$(10,269)	$ 6,694

We use the net cash generated from our operations to fund network expansion and modernization, repay external financing, pay dividends, purchase Verizon common stock from time to time and invest in new businesses. Our sources of funds primarily from operations and, to the extent necessary, from external financing arrangements are sufficient to meet ongoing operating and investing requirements. The cash portion of the purchase price for the Wireless Transaction was primarily funded by the incurrence of third-party indebtedness, including the issuance of $49.6 billion aggregate principal amount of fixed and floating rate notes and other indebtedness (see "Acquisitions and Divestitures"). We expect that our capital spending requirements will continue to be financed primarily through internally generated funds. Debt or equity financing may be needed to fund additional investments or development activities or to maintain an appropriate capital structure to ensure our financial flexibility. Our cash and cash equivalents are primarily held domestically in diversified accounts and are invested to maintain principal and liquidity. Accordingly, we do not have significant exposure to foreign currency fluctuations.

The volatility in world debt and equity markets has not had a significant effect on our ability to access external financing. Our available external financing arrangements include, cash available under credit facilities and other bank lines of credit, vendor financing arrangements, issuances of registered debt or equity securities and privately-placed capital market securities. We may also issue short-term debt through an active commercial paper program and have a $6.2 billion credit facility to support such commercial paper issuances. In addition, during 2013, we entered into a $2.0 billion 364-day revolving credit agreement.

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations, primarily from our Wireless segment. Net cash provided by operating activities during 2013 increased by $7.4 billion compared to 2012 primarily due to higher consolidated earnings, lower pension contributions and improved working capital levels. The increase in net cash provided by operating activities in 2013 was partially offset by net distributions of $0.3 billion received from Vodafone Omnitel in 2012.

Net cash provided by operating activities during 2012 increased by $1.7 billion compared to 2011 primarily due to higher consolidated earnings, as well as improved working capital levels, due to timing differences, partially offset by an increase in pension contributions. Net cash provided by operating activities during 2012 and 2011 included net distributions received from Vodafone Omnitel of $0.3 billion and $0.4 billion, respectively.

Cash Flows Used In Investing Activities

Capital Expenditures

Capital expenditures continue to be our primary use of capital resources as they facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency and productivity of our networks.

Capital expenditures, including capitalized software, were as follows:

		(dollars in millions)	
Years Ended December 31,	**2013**	**2012**	**2011**
Wireless	$ 9,425	$ 8,857	$ 8,973
Wireline	6,229	6,342	6,399
Other	950	976	872
	$ 16,604	$ 16,175	$ 16,244
Total as a percentage of revenue	13.8%	14.0%	14.7%

Capital expenditures increased at Wireless in 2013 compared to 2012 in order to substantially complete the build-out of our 4G LTE network. Capital expenditures declined at Wireline as a result of decreased legacy spending requirements and a decline in spending on our FiOS network.

Capital expenditures declined slightly at Wireless in 2012 compared to 2011 due to the decreased investment in the capacity of our wireless EV-DO network, partially offset by the increased build-out of our 4G LTE network. Capital expenditures declined slightly at Wireline due to lower legacy spending requirements.

Acquisitions

During 2013, 2012 and 2011, we invested $0.6 billion, $4.3 billion and $0.2 billion, respectively, in acquisitions of wireless licenses. During 2013, 2012 and 2011, we also invested $0.5 billion, $0.9 billion and $1.8 billion, respectively, in acquisitions of investments and businesses, net of cash acquired.

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. In February 2014, Verizon acquired a business dedicated to the development of cloud television products and services for cash consideration that was not significant.

During 2012, we paid approximately $4.3 billion to acquire wireless licenses primarily to meet future LTE capacity needs and enable LTE expansion. Additionally, during 2012, we acquired HUGHES Telematics, a provider of telematics services, for $0.6 billion. See "Acquisitions and Divestitures" for additional details.

During April 2011, we paid approximately $1.4 billion for the equity of Terremark, which was partially offset by $0.1 billion of cash acquired (see "Acquisitions and Divestitures"). See "Cash Flows from Financing Activities" regarding the debt obligations of Terremark that were repaid during May 2011. In addition, during 2011, we acquired various wireless licenses and markets as well as a provider of cloud software technology for cash consideration that was not significant.

Dispositions

During 2013, we completed the sale of 700 MHz lower B block spectrum licenses and as a result we received proceeds of $2.1 billion. Additionally, on January 6, 2014, we announced agreements with T-Mobile USA, Inc. (T-Mobile USA) pursuant to which we will dispose of our remaining 700 MHz A block spectrum licenses, and as a result of these agreements we expect to receive cash consideration of approximately $2.4 billion and additional spectrum. See "Acquisitions and Divestitures" for additional information.

During 2012, we received $0.4 billion related to the sale of some of our 700 MHz lower A and B block spectrum licenses. We acquired these licenses as part of Federal Communications Commission (FCC) Auction 73 in 2008.

Other, net

During 2011, Other, net primarily included proceeds related to the sales of long-term investments, which were not significant to our consolidated statements of income.

Cash Flows Provided by (Used In) Financing Activities

We seek to maintain a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. During 2013, 2012 and 2011, net cash provided by (used in) financing activities was $26.5 billion, $(21.3) billion and $(5.8) billion, respectively.

2013

During March 2013, we issued $0.5 billion aggregate principal amount of floating rate Notes due 2015 in a private placement resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The proceeds were used for the repayment of commercial paper.

During April 2013, $1.25 billion of 5.25% Verizon Communications Notes matured and were repaid. During May 2013, $0.1 billion of 7.0% Verizon New York Inc. Debentures matured and were repaid. During June 2013, $0.5 billion of 4.375% Verizon Communications Notes and $0.1 billion of 7.0% Verizon New York Inc. Debentures matured and were repaid. In addition, during June 2013, we redeemed $0.25 billion of 7.15% Verizon Maryland LLC Debentures due May 2023 at a redemption price of 100% of the principal amount of the debentures.

During September 2013, in connection with the Wireless Transaction, we issued $49.0 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $48.7 billion, net of discounts and issuance costs. The issuances consisted of the following: $2.25 billion aggregate principal amount of floating rate Notes due 2016 that bear interest at a rate equal to three-month London Interbank Offered Rate (LIBOR) plus 1.53% which rate will be reset quarterly; $1.75 billion aggregate principal amount of floating rate Notes due 2018 that bear interest at a rate equal to three-month LIBOR plus 1.75% which rate will be reset quarterly; $4.25 billion aggregate principal amount of 2.50% Notes due 2016; $4.75 billion aggregate principal amount of 3.65% Notes due 2018; $4.0 billion aggregate principal amount of 4.50% Notes due 2020; $11.0 billion aggregate principal amount of 5.15% Notes due 2023; $6.0 billion aggregate principal amount of 6.40% Notes due 2033; and $15.0 billion aggregate principal amount of 6.55% Notes due 2043 (collectively, the new notes). The proceeds of the new notes were used to finance, in part, the Wireless Transaction and to pay related fees and expenses. As a result of the issuance of the new notes, we incurred interest expense related to the Wireless Transaction of $0.7 billion during 2013.

During October 2013, $0.3 billion of 4.75% Verizon New England Inc. Debentures matured and were repaid.

During November 2013, $1.25 billion of 7.375% Verizon Wireless Notes and $0.2 billion of 6.5% Verizon Wireless Notes matured and were repaid. During November 2013, Verizon Wireless redeemed $3.5 billion of 5.55% Notes due February 1, 2014 at a redemption price of 101% of the principal amount of the notes and $0.3 billion of 6.70% Verizon New York Inc. Debentures due November 2023 at a redemption price of 100% of the principal amount of the debentures. Any accrued and unpaid interest was paid to the date of redemption.

During December 2013, we redeemed $0.2 billion of 7.0% Verizon New York Inc. Debentures due December 2033 at a redemption price of 100% of the principal amount of the debentures and $20 million of 7.0% Verizon Delaware LLC Debentures due December 2023 at a redemption price of 100% of the principal amount of the debentures. Any accrued and unpaid interest was paid to the date of redemption.

In addition, during 2013 we utilized $0.2 billion under fixed rate vendor financing facilities.

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, €1.25 billion aggregate principal amount of 3.25% Notes due 2026 and £0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs. The net proceeds were used, in part, to finance the Wireless Transaction. Any net proceeds not used to finance the Wireless Transaction will be used for general corporate purposes. Also, during February 2014, we issued $0.5 billion aggregate principal amount of 5.9% Retail Notes due 2054 resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The proceeds will be used for general corporate purposes.

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5.0 billion aggregate principal amount of floating rate notes. The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 (see "Acquisitions and Divestitures"). The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%.

Bridge Credit Agreement

During September 2013, we entered into a $61.0 billion bridge credit agreement with a group of major financial institutions. The credit agreement provided us with the ability to borrow up to $61.0 billion to finance, in part, the Wireless Transaction and to pay related transaction costs. Following the September 2013 issuance of notes, borrowing availability under the bridge credit agreement was reduced to $12.0 billion. Following the effectiveness of the term loan agreement in October 2013, the bridge credit agreement was terminated in accordance with its terms and as such, the related fees of $0.2 billion were recognized in Other income and (expense), net during the fourth quarter of 2013.

2012

During January 2012, $1.0 billion of 5.875% Verizon New Jersey Inc. Debentures matured and were repaid. During February 2012, $0.8 billion of 5.25% Verizon Wireless Notes matured and were repaid. During July 2012, $0.8 billion of 7.0% Verizon Wireless Notes matured and were repaid. In addition, during 2012 we utilized $0.2 billion under fixed rate vendor financing facilities.

On November 2, 2012, we announced the commencement of a tender offer (the Tender Offer) to purchase, for cash, any and all of the outstanding $1.25 billion aggregate principal amount of 8.95% Verizon Communications Notes due 2039. In the Tender Offer that was completed November 9, 2012, $0.9 billion aggregate principal amount of the notes was purchased and $0.35 billion principal amount of the notes remained outstanding. Any accrued and unpaid interest on the principal purchased was paid to the date of purchase.

During November 2012, we issued $4.5 billion aggregate principal amount of fixed rate notes at varying maturities resulting in cash proceeds of approximately $4.47 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes, for the Tender Offer, and to redeem $0.7 billion of $2.0 billion of 8.75% Verizon Communications Notes due 2018, $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A due 2013, and $0.75 billion of 4.35% Verizon Communications Notes due 2013.

In addition, during 2012, various fixed rate notes totaling approximately $0.2 billion were repaid and any accrued and unpaid interest was paid to the date of payment.

See "Other Items" regarding the early debt redemption costs incurred in connection with the aforementioned repurchases and redemptions.

2011

During 2011, proceeds from long-term borrowings totaled $11.1 billion, which was primarily used to repay outstanding debt, redeem higher interest bearing debt maturing in the near term and for other general corporate purposes.

During 2011, $0.5 billion of 5.35% Verizon Communications Notes matured and were repaid, and we utilized $0.3 billion under fixed rate vendor financing facilities.

During March 2011, we issued $6.25 billion aggregate principal amount of fixed and floating rate notes at varying maturities resulting in cash proceeds of approximately $6.19 billion, net of discounts and issuance costs. The net proceeds were used for the repayment of commercial paper and other general corporate purposes, as well as to redeem $2.0 billion aggregate principal amount of telephone subsidiary debt during April 2011.

The debt obligations of Terremark that were outstanding at the time of its acquisition by Verizon were repaid during the second quarter of 2011.

During November 2011, we issued $4.6 billion aggregate principal amount of fixed rate notes at varying maturities resulting in cash proceeds of approximately $4.55 billion, net of discounts and issuance costs. During November 2011, the net proceeds were used to redeem $1.6 billion aggregate principal amount of Verizon Communications notes and $1.9 billion aggregate principal amount of telephone subsidiary debt. The remaining net proceeds were used for the repayment of commercial paper and other general corporate purposes. See "Other Items" regarding the early debt redemption costs incurred in connection with the aforementioned redemptions.

Term Loan Agreement

During October 2013, we entered into a term loan agreement with a group of major financial institutions pursuant to which we drew $6.6 billion in February 2014 to finance, in part, the Wireless Transaction and to pay transaction costs. Half of any loans under the term loan agreement have a maturity of three years and the other half have a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50 : 1.00, until our credit ratings reach a certain level.

During December 2011, we repaid $0.9 billion upon maturity for the €0.7 billion of 7.625% Verizon Wireless Notes, and the related cross currency swap was settled. During May 2011, $4.0 billion Verizon Wireless two-year fixed and floating rate notes matured and were repaid.

Special Distributions

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7.0 billion. As a result, Vodafone received a cash payment of $3.15 billion and the remainder of the distribution was received by Verizon.

In November 2012, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the fourth quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $8.5 billion. As a result, Vodafone received a cash payment of $3.8 billion and the remainder of the distribution was received by Verizon.

In July 2011, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the first quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $10 billion. As a result, Vodafone received a cash payment of $4.5 billion and the remainder of the distribution was received by Verizon.

Other, net

The change in Other, net financing activities during 2013 compared to 2012 was primarily driven by higher distributions to Vodafone, which owned a 45% noncontrolling interest in Verizon Wireless as of December 31, 2013. The change in Other, net financing activities during 2012 compared to 2011 was primarily driven by higher distributions to Vodafone, and higher early debt redemption costs (see "Other Items").

Dividends

The Verizon Board of Directors determines the appropriateness of the level of our dividend payments on a periodic basis by considering such factors as long-term growth opportunities, internal cash requirements and the expectations of our shareowners. During the third quarter of 2013, the Board increased our quarterly dividend payment 2.9% to $.53 per share from $.515 per share in the same period of 2012. This is the seventh consecutive year that Verizon's Board of Directors has approved a quarterly dividend increase. During the third quarter of 2012, the Board increased our quarterly dividend payment 3.0% to $.515 per share from $.50 per share in the same period of 2011. During the third quarter of 2011, the Board increased our quarterly dividend payment 2.6% to $.50 per share from $.4875 per share in the same period of 2010.

During 2013, we paid $5.9 billion in dividends compared to $5.2 billion in 2012 and $5.6 billion in 2011. As in prior periods, dividend payments were a significant use of capital resources. While the dividends declared per common share increased in 2012 compared to 2011, the total amount of cash dividends paid decreased during 2012 compared to the prior year as a portion of the dividends was satisfied through the issuance of common shares from Treasury stock (see "Common Stock").

Credit Facilities

On August 13, 2013, we amended our $6.2 billion credit facility with a group of major financial institutions to extend the maturity date to August 12, 2017. As of December 31, 2013, the unused borrowing capacity under this credit facility was approximately $6.1 billion. The credit facility does not require us to comply with financial covenants or maintain specified credit ratings, and it permits us to borrow even if our business has incurred a material adverse change. We use the credit facility to support the issuance of commercial paper, for the issuance of letters of credit and for general corporate purposes.

During October 2013, we entered into a $2.0 billion 364-day revolving credit agreement with a group of major financial institutions. Although effective as of October 2013, we could not draw on this revolving credit agreement prior to the completion of the Wireless Transaction. We may use borrowings under the 364-day credit agreement for general corporate purposes. The 364-day revolving credit agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, this agreement requires us to maintain a leverage ratio (as defined in the agreement) not in excess of 3.50 to 1.00 until our credit ratings reach a certain level.

Common Stock

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 24.6 million common shares issued from Treasury stock during 2012, related to dividend payments, which had an aggregate value of $1.0 billion. On February 3, 2011, the Board of Directors replaced the previously authorized share buyback program with a new program for the repurchase of up to 100 million common shares terminating no later than the close of business on February 28, 2014. The Board also determined that no additional shares were to be purchased under the prior program. During 2013, we repurchased $0.2 billion of our common stock under this program. There were no repurchases of common stock during 2012 or 2011.

As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares

Credit Ratings

During the third quarter of 2013, Verizon's credit ratings were downgraded by Moody's Investors Service (Moody's), Standard & Poor's Ratings Services (Standard & Poor's) and Fitch Ratings (Fitch) as a result of Verizon's announcement of the agreement to acquire Vodafone's 45% noncontrolling interest in Verizon Wireless for approximately $130 billion, including the incurrence of third-party indebtedness to fund the cash portion of the purchase price for the Wireless Transaction. Moody's downgraded Verizon's long-term debt ratings one notch from A3 to Baa1, while Standard & Poor's lowered its corporate credit rating and senior unsecured debt rating one notch from A- to BBB+ and Fitch lowered its long-term issuer default rating and senior unsecured debt rating one notch from A to A-.

Although the ratings downgrade is not expected to significantly impact our access to capital, it could increase both the cost of refinancing debt and the cost of financing any new capital requirements. Securities ratings assigned by rating organizations are expressions of opinion and are not recommendations to buy, sell or hold securities. A securities rating is subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Covenants

Our credit agreements contain covenants that are typical for large, investment grade companies. These covenants include requirements to pay interest and principal in a timely fashion, pay taxes, maintain insurance with responsible and reputable insurance companies, preserve our corporate existence, keep appropriate books and records of financial transactions, maintain our properties, provide financial and other reports to our lenders, limit pledging and disposition of assets and mergers and consolidations, and other similar covenants. Additionally, the term loan credit agreement and the 364-day revolving credit agreement require us to maintain a leverage ratio (as such term is defined in those agreements) not in excess of 3.50 to 1.00 until our credit ratings are equal to or higher than A3 and A-.

We and our consolidated subsidiaries are in compliance with all debt covenants.

Increase (Decrease) In Cash and Cash Equivalents

Our Cash and cash equivalents at December 31, 2013 totaled $53.5 billion, a $50.2 billion increase compared to Cash and cash equivalents at December 31, 2012 primarily as a result of the issuance of $49.0 billion aggregate principal amount of fixed and floating rate notes.

Our Cash and cash equivalents at December 31, 2012 totaled $3.3 billion, a $10.3 billion decrease compared to Cash and cash equivalents at December 31, 2011 as a result of the factors described in connection with our cash flows provided by operating activities, cash flows used in investing activities and cash flows used in financing activities.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that management believes is useful to investors and other users of Verizon's financial information in evaluating cash available to pay debt and dividends. Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities. The following table reconciles net cash provided by operating activities to Free cash flow.

			(dollars in millions)
Years Ended December 31	2013	2012	2011
Net cash provided by operating activities	$ 38,818	$ 31,486	$ 29,780
Less Capital expenditures (including capitalized software)	16,604	16,175	16,244
Free cash flow	$ 22,214	$ 15,311	$ 13,536

The changes in free cash flow during 2013, 2012 and 2011 were a result of the factors described in connection with net cash provided by operating activities and capital expenditures.

Employee Benefit Plan Funded Status and Contributions

Pension Annuitization

On October 17, 2012, we, along with our subsidiary Verizon Investment Management Corp., and Fiduciary Counselors Inc., as independent fiduciary of the Verizon Management Pension Plan (the Plan), entered into a definitive purchase agreement with The Prudential Insurance Company of America (Prudential) and Prudential Financial, Inc., pursuant to which the Plan would purchase a single premium group annuity contract from Prudential.

On December 10, 2012, upon issuance of the group annuity contract by Prudential, Prudential irrevocably assumed the obligation to make future annuity payments to approximately 41,000 Verizon management retirees who began receiving pension payments from the Plan prior to January 1, 2010. The amount of each retiree's annuity payment equals the amount of such individual's pension benefit. In addition, the group annuity contract is intended to replicate the same rights to future payments, such as survivor benefits, that are currently offered by the Plan.

We contributed approximately $2.6 billion to the Plan between September 1, 2012 and December 31, 2012 in connection with the transaction so that the Plan's funding percentage would not decrease as a result of the transaction.

Employer Contributions

We operate numerous qualified and nonqualified pension plans and other postretirement benefit plans These plans primarily relate to our domestic business units During 2013, contributions to our qualified pension plans were not material During 2012 and 2011, we contributed $0 9 billion and $0 4 billion respectively, to our qualified pension plans, excluding the pension annuitization discussed above We also contributed $0 1 billion, $0 2 billion and $0 1 billion to our nonqualified pension plans in 2013, 2012 and 2011, respectively

In an effort to reduce the risk of our portfolio strategy and better align assets with liabilities we have adopted a liability driven pension strategy that seeks to better match cash flows from investments with projected benefit payments We expect that the strategy will reduce the likelihood that assets will decline at a time when liabilities increase (referred to as liability hedging), with the goal to reduce the risk of underfunding to the plan and its participants and beneficiaries however, we also expect the strategy to result in lower asset returns Based on this strategy and the funded status of the plans at December 31, 2013, we expect the minimum required qualified pension plan contribution in 2014 to be $1 2 billion Nonqualified pension contributions are estimated to be approximately $0 2 billion in 2014

Contributions to our other postretirement benefit plans generally relate to payments for benefits on an as-incurred basis since the other postretirement benefit plans do not have funding requirements similar to the pension plans We contributed $1 4 billion, $1 5 billion and $1 4 billion to our other postretirement benefit plans in 2013 2012 and 2011 respectively Contributions to our other postretirement benefit plans are estimated to be approximately $1 4 billion in 2014

Leasing Arrangements

We are the lessor in leveraged and direct financing lease agreements for commercial aircraft and power generating facilities, which comprise the majority of our leasing portfolio along with telecommunications equipment, commercial real estate property and other equipment These leases have remaining terms of up to 37 years as of December 31, 2013 In addition we lease space on certain of our cell towers to other wireless carriers Minimum lease payments receivable represent unpaid rentals, less principal and interest on third-party nonrecourse debt relating to leveraged lease transactions Since we have no general liability for this debt, which is secured by a senior security interest in the leased equipment and rentals, the related principal and interest have been offset against the minimum lease payments receivable in accordance with U S GAAP All recourse debt is reflected in our consolidated balance sheets

Off Balance Sheet Arrangements and Contractual Obligations

Contractual Obligations and Commercial Commitments

The following table provides a summary of our contractual obligations and commercial commitments at December 31 2013 Additional detail about these items is included in the notes to the consolidated financial statements

(dollars in millions)

	Payments Due By Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt [1]	$ 92,851	$ 3,395	$ 13,466	$ 16,252	$ 59,738
Capital lease obligations [2]	293	91	92	49	61
Total long-term debt, including current maturities	93,144	3,486	13,558	16,301	59,799
Interest on long-term debt [1]	74,938	4,816	9,419	8,609	52,094
Operating leases [2]	12,190	2,255	3,723	2,464	3,748
Purchase obligations [3]	33,440	19,724	8,778	4,163	775
Other long-term liabilities [4]	4,404	2,825	1,579	–	-
Total contractual obligations	$ 218,116	$ 33,106	$ 37,057	$ 31,537	$ 116,416

[1] Items included in long-term debt with variable coupon rates are described in Note 8 to the consolidated financial statements

[2] See Note 7 to the consolidated financial statements

[3] The purchase obligations reflected above are primarily commitments to purchase handsets and peripherals, equipment, software programming and network services and marketing activities which will be used or sold in the ordinary course of business These amounts do not represent our entire anticipated purchases in the future but represent only those items that are the subject of contractual obligations We also purchase products and services as needed with no firm commitment For this reason, the amounts presented in this table alone do not provide a reliable indicator of our expected future cash outflows or changes in our expected cash position (see Note 16 to the consolidated financial statements)

[4] Other long-term liabilities include estimated postretirement benefit and qualified pension plan contributions (see Note 11 to the consolidated financial statements)

We are not able to make a reliable estimate of when the unrecognized tax benefits balance of $2 1 billion and related interest and penalties will be settled with the respective taxing authorities until issues or examinations are further developed (see Note 12 to the consolidated financial statements)

Guarantees

In connection with the execution of agreements for the sale of businesses and investments, Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters, such as ownership of the securities being sold, as well as financial losses (see Note 16 to the consolidated financial statements)

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries As of December 31, 2013, $3 1 billion principal amount of these obligations remain outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, which will occur, among other things, if the operating telephone company is no longer a wholly-owned subsidiary of Verizon

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of December 31, 2013, $1 7 billion principal amount of these obligations remained outstanding (see Note 8 to the consolidated financial statements)

As of December 31, 2013 letters of credit totaling approximately $0 1 billion, which were executed in the normal course of business and support several financing arrangements and payment obligations to third parties, were outstanding (see Note 16 to the consolidated financial statements)

Market Risk

We are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes, foreign currency exchange rate fluctuations, changes in investment, equity and commodity prices and changes in corporate tax rates We employ risk management strategies which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements commodity swap and forward agreements and interest rate locks We do not hold derivatives for trading purposes

It is our general policy to enter into interest rate foreign currency and other derivative transactions only to the extent necessary to achieve our desired objectives in limiting our exposure to various market risks Our objectives include maintaining a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions We do not hedge our market risk exposure in a manner that would completely eliminate the effect of changes in interest rates and foreign exchange rates on our earnings We do not expect that our net income, liquidity and cash flows will be materially affected by these risk management strategies

Interest Rate Risk

We are exposed to changes in interest rates primarily on our short-term debt and the portion of long-term debt that carries floating interest rates As of December 31, 2013, approximately 92% of the aggregate principal amount of our total debt portfolio consisted of fixed rate indebtedness including the effect of interest rate swap agreements designated as hedges The impact of a 100 basis point change in interest rates affecting our floating rate debt would result in a change in annual interest expense including our interest rate swap agreements that are designated as hedges of approximately $0 4 billion The interest rates on our existing long-term debt obligations are unaffected by changes to our credit ratings

The table that follows summarizes the fair values of our long-term debt including current maturities and interest rate swap derivatives as of December 31, 2013 and 2012 The table also provides a sensitivity analysis of the estimated fair values of these financial instruments assuming 100-basis-point upward and downward shifts in the yield curve Our sensitivity analysis does not include the fair values of our commercial paper and bank loans, if any, because they are not significantly affected by changes in market interest rates

(dollars in millions)

At December 31, 2013	Fair Value	Fair Value assuming +100 basis point shift	Fair Value assuming -100 basis point shift
Long-term debt and related derivatives	$ 103,103	$ 95,497	$ 111,910
At December 31, 2012			
Long-term debt and related derivatives	$ 61,045	$ 56,929	$ 65,747

Interest Rate Swaps

We have entered into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to interest expense These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio We record the interest rate swaps at fair value on our consolidated balance sheets as assets and liabilities

During 2012, interest rate swaps with a notional value of $2 8 billion were settled As a result of the settlements we received net proceeds of $0 7 billion including accrued interest which is included in Other net operating activities in the consolidated statement of cash flows The fair value basis adjustment to the underlying debt instruments was recognized into earnings as a reduction of Interest expense over the remaining lives of the underlying debt obligations During the second quarter of 2013, interest rate swaps with a notional value of $1 25 billion matured and the impact to our consolidated financial statements was not material During the third quarter of 2013 we entered into interest rate swaps with a total notional value of $1 8 billion At December 31, 2013 and 2012, the fair value of these interest rate swaps was not material At December 31, 2013 the total notional amount of these interest rate swaps was $1 8 billion The ineffective portion of these interest rate swaps was not material at December 31 2013

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes during the fourth quarter of 2013 we entered into forward interest rate swaps with a notional value of $2 0 billion We designated these contracts as cash flow hedges The fair value of these contracts was not material at December 31 2013

Foreign Currency Translation

The functional currency for our foreign operations is primarily the local currency The translation of income statement and balance sheet amounts of our foreign operations into U.S dollars is recorded as cumulative translation adjustments, which are included in Accumulated other comprehensive income in our consolidated balance sheets Gains and losses on foreign currency transactions are recorded in the consolidated statements of income in Other income and (expense), net At December 31, 2013, our primary translation exposure was to the British Pound Sterling, the Euro, the Australian Dollar and the Japanese Yen

Cross Currency Swaps

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the impact of foreign currency transaction gains or losses A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was not material at December 31 2013 or December 31, 2012 During 2013 and 2012 the gains with respect to these swaps were not material

During February 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5 4 billion of Euro and British Pound Sterling denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars as well as to mitigate the impact of foreign currency transaction gains or losses

Critical Accounting Estimates

A summary of the critical accounting estimates used in preparing our financial statements is as follows

- Wireless licenses and Goodwill are a significant component of our consolidated assets Both our wireless licenses and goodwill are treated as indefinite-lived intangible assets and, therefore are not amortized but rather are tested for impairment annually in the fourth fiscal quarter unless there are events or changes in circumstances during an interim period that indicate these assets may not be recoverable We believe our estimates and assumptions are reasonable and represent appropriate marketplace considerations as of the valuation date We do not believe that reasonably likely adverse changes in our assumptions and estimates would result in an impairment charge as of our latest impairment testing date However if there is a substantial and sustained adverse decline in our operating profitability, we may have impairment charges in future years Any such impairment charge could be material to our results of operations and financial condition

Wireless Licenses

The carrying value of our wireless licenses was approximately $75 7 billion as of December 31, 2013 We aggregate our wireless licenses into one single unit of accounting, as we utilize our wireless licenses on an integrated basis as part of our nationwide wireless network Our wireless licenses provide us with the exclusive right to utilize certain radio frequency spectrum to provide wireless communication services There are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses In 2013, we performed a qualitative impairment assessment to determine whether it is more likely than not that the fair value of our wireless licenses was less than the carrying amount As part of our assessment we considered several qualitative factors including the business enterprise value of Wireless macroeconomic conditions (including changes in interest rates and discount rates) industry and market considerations (including industry revenue and EBITDA margin projections) the projected financial performance of Wireless as well as other factors Based on our assessment in 2013, we qualitatively concluded that it was more likely than not that the fair value of our wireless licenses significantly exceeded their carrying value and therefore did not result in an impairment

In 2012 and 2011, our quantitative impairment test consisted of comparing the estimated fair value of our wireless licenses to the aggregated carrying amount as of the test date If the estimated fair value of our wireless licenses was less than the aggregated carrying amount of the wireless licenses then an impairment charge would have been recognized Our annual quantitative impairment tests for 2012 and 2011 indicated that the fair value significantly exceeded the carrying value and therefore did not result in an impairment

In 2012 and 2011, using a quantitative assessment we estimated the fair value of our wireless licenses using a direct income based valuation approach This approach uses a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date As a result we were required to make significant estimates about future cash flows specifically associated with our wireless licenses an appropriate discount rate based on the risk associated with those estimated cash flows and assumed terminal value and growth rates We considered

current and expected future economic conditions, current and expected availability of wireless network technology and infrastructure and related equipment and the costs thereof as well as other relevant factors in estimating future cash flows. The discount rate represented our estimate of the weighted-average cost of capital (WACC) or expected return, that a marketplace participant would have required as of the valuation date. We developed the discount rate based on our consideration of the cost of debt and equity of a group of guideline companies as of the valuation date. Accordingly, our discount rate incorporated our estimate of the expected return a marketplace participant would have required as of the valuation date, including the risk premium associated with the current and expected economic conditions as of the valuation date. The terminal value growth rate represented our estimate of the marketplace's long-term growth rate.

Goodwill

At December 31, 2013, the balance of our goodwill was approximately $24.6 billion, of which $18.4 billion was in our Wireless segment and $6.2 billion was in our Wireline segment. Determining whether an impairment has occurred requires the determination of fair value of each respective reporting unit. Our operating segments, Wireless and Wireline, are deemed to be our reporting units for purposes of goodwill impairment testing. The fair value of Wireless significantly exceeded its carrying value and the fair value of Wireline exceeded its carrying value. Accordingly, our annual impairment tests for 2013, 2012 and 2011 did not result in an impairment.

The fair value of the reporting unit is calculated using a market approach and a discounted cash flow method. The market approach includes the use of comparative multiples to corroborate discounted cash flow results. The discounted cash flow method is based on the present value of two components—projected cash flows and a terminal value. The terminal value represents the expected normalized future cash flows of the reporting unit beyond the cash flows from the discrete projection period. The fair value of the reporting unit is calculated based on the sum of the present value of the cash flows from the discrete period and the present value of the terminal value. The estimated cash flows are discounted using a rate that represents our WACC.

- We maintain benefit plans for most of our employees, including, for certain employees, pension and other postretirement benefit plans. At December 31, 2013, in the aggregate, pension plan benefit obligations exceeded the fair value of pension plan assets, which will result in higher future pension plan expense. Other postretirement benefit plans have larger benefit obligations than plan assets, resulting in expense. Significant benefit plan assumptions, including the discount rate used, the long-term rate of return on plan assets and health care trend rates are periodically updated and impact the amount of benefit plan income, expense, assets and obligations. A sensitivity analysis of the impact of changes in these assumptions on the benefit obligations and expense (income) recorded, as well as on the funded status due to an increase or a decrease in the actual versus expected return on plan assets as of December 31, 2013 and for the year then ended pertaining to Verizon's pension and postretirement benefit plans is provided in the table below.

(dollars in millions)	Percentage point change	Increase (decrease) at December 31, 2013*
Pension plans discount rate	+0.50	$ (1,105)
	-0.50	1,224
Rate of return on pension plan assets	+1.00	(166)
	-1.00	166
Postretirement plans discount rate	+0.50	(1,332)
	-0.50	1,486
Rate of return on postretirement plan assets	+1.00	(26)
	-1.00	26
Health care trend rates	+1.00	2,539
	-1.00	(2,086)

* In determining its pension and other postretirement obligation, the Company used a weighted-average discount rate of 5.0%. The rate was selected to approximate the composite interest rates available on a selection of high-quality bonds available in the market at December 31, 2013. The bonds selected had maturities that coincided with the time periods during which benefits payments are expected to occur, were non-callable and available in sufficient quantities to ensure marketability (at least $0.3 billion par outstanding).

- **Our current and deferred income taxes, and associated valuation allowances, are impacted by events and transactions arising in the normal course of business as well as in connection with the adoption of new accounting standards, changes in tax laws and rates, acquisitions and dispositions of businesses and non-recurring items. As a global commercial enterprise, our income tax rate and the classification of income taxes can be affected by many factors, including estimates of the timing and realization of deferred income tax assets and the timing and amount of income tax payments. We account for tax benefits taken or expected to be taken in our tax returns in accordance with the accounting standard relating to the uncertainty in income taxes, which requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return. We review and adjust our liability for unrecognized tax benefits based on our best judgment given the facts, circumstances, and information available at each reporting date. To the extent that the final outcome of these tax positions is different than the amounts recorded, such differences may impact income tax expense and actual tax payments. We recognize any interest and penalties accrued related to unrecognized tax benefits in income tax expense. Actual tax payments may materially differ from estimated liabilities as a result of changes in tax laws as well as unanticipated transactions impacting related income tax balances.**

- **Our Plant, property and equipment balance represents a significant component of our consolidated assets. We record plant, property and equipment at cost. We depreciate plant, property and equipment on a straight-line basis over the estimated useful life of the assets. We expect that a one-year increase in estimated useful lives of our plant, property and equipment would result in a decrease to our 2013 depreciation expense of $1.8 billion and that a one-year decrease would result in an increase of approximately $2.1 billion in our 2013 depreciation expense.**

Recent Accounting Standards

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists was issued. The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. We will adopt this standard update during the first quarter of 2014. We are currently evaluating the consolidated balance sheet impact related to this standard update.

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership), and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion.

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VFI Inc.), which indirectly through certain subsidiaries (together with VFI Inc., the Purchased Entities) owned the Vodafone Interest. In consideration for the Transferred Shares, upon completion of the Wireless Transaction, Verizon (i) paid approximately $58.89 billion in cash, (ii) issued approximately $60.15 billion of Verizon's common stock, par value $0.10 per share (the Stock Consideration), (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5.0 billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23.1% interest in Vodafone Omnitel N.V. (Omnitel, and such interest, the Omnitel Interest), valued at $3.5 billion and (v) provided other consideration of approximately $2.5 billion. As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares. The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness (see "Consolidated Financial Condition").

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted. As a result, we will account for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in Verizon Wireless. Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted will be recognized in equity attributable to Verizon.

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also implemented the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement. We will recognize a gain on the disposal of the Omnitel interest in the first quarter of 2014.

Verizon Notes

The Verizon Notes were issued pursuant to Verizon's existing indenture. The Verizon Notes were issued in two separate series with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate, which will be reset quarterly with interest payable quarterly in arrears beginning May 21, 2014. The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR plus 1.222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%. The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series. Beginning two years

after the

closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods commencing January 1, 2017. The Verizon Notes held by third parties will not be redeemable. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration paid to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock issued by one of the Purchased Entities. Both the Class D (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares will be classified as liability instruments and will be recorded at fair value as determined at the closing of the Wireless Transaction.

Spectrum License Transactions

Since 2012, we have entered into several strategic spectrum transactions including:

- During the third quarter of 2012, after receiving the required regulatory approvals, Verizon Wireless completed the following previously announced transactions in which we acquired wireless spectrum that will be used to deploy additional 4G LTE capacity:
  - Verizon Wireless acquired AWS spectrum in separate transactions with SpectrumCo and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. Verizon Wireless has also recorded a liability of $0.4 billion related to a three-year service obligation to SpectrumCo's members pursuant to commercial agreements executed concurrently with the SpectrumCo transaction.
  - Verizon Wireless completed license purchase and exchange transactions with Leap Wireless. Savary Island Wireless, which is majority owned by Leap Wireless and a subsidiary of T-Mobile USA. As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and PCS licenses at fair value and net cash proceeds of $0.2 billion, transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless, and recorded an immaterial gain.
- During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain Advanced Wireless Services (AWS) licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value and recorded an immaterial gain.
- During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.
- During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the FCC and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these agreements, $0.9 billion of Wireless licenses are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013. Upon completion of the transaction, we expect to record an immaterial gain.
- Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.

Other

During 2013, we acquired various other wireless licenses and markets for cash consideration that was not significant. Additionally, we obtained control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated, which resulted in an immaterial gain. We recorded $0.2 billion of goodwill as a result of these transactions.

Wireline

HUGHES Telematics, Inc.

During July 2012, we acquired HUGHES Telematics for approximately $12 per share in cash for a total acquisition price of $0.6 billion. As a result of the transaction, HUGHES Telematics became a wholly-owned subsidiary of Verizon. The consolidated financial statements include the results of HUGHES Telematics' operations from the date the acquisition closed. Upon closing, we recorded approximately $0.6 billion of goodwill, $0.1 billion of other intangibles, and assumed the debt obligations of HUGHES Telematics, which were approximately $0.1 billion as of the date of acquisition, and which were repaid by Verizon. Had this acquisition been completed on January 1, 2012 or 2011, the results of the acquired operations of HUGHES Telematics would not have had a significant impact on the consolidated net income attributable to Verizon. The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers.

The acquisition of HUGHES Telematics was accounted for as a business combination under the acquisition method. The cost of the acquisition was allocated to the assets and liabilities acquired based on their fair values as of the close of the acquisition, with the excess amount being recorded as goodwill.

Terremark Worldwide, Inc.

During April 2011, we acquired Terremark for $19 per share in cash. Closing and other direct acquisition-related costs totaled approximately $13 million after-tax. The acquisition was completed via a tender offer followed by a short-form merger under Delaware law through which Terremark became a wholly-owned subsidiary of Verizon. The acquisition enhanced Verizon's offerings to business and government customers globally.

Other

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Upon closing, we recorded $0.3 billion of goodwill. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. The consolidated financial statements include the results of the operations of each of these acquisitions from the date each acquisition closed.

On January 21, 2014, Verizon announced an agreement to acquire a business dedicated to the development of cloud television products and services for cash consideration that was not significant. The transaction, which was completed in February 2014, is expected to accelerate the availability of next-generation video services.

Regulatory and Competitive Trends

Regulatory and Competitive Landscape

Verizon operates in a regulated and highly competitive market. Current and potential competitors include other voice and data service providers such as other wireless companies, traditional telephone companies, cable companies, Internet service providers, software and application providers, and other non-traditional companies. Many of these companies have a strong market presence, brand recognition, and existing customer relationships, all of which contribute to intensifying competition and may affect our future revenue growth. Some of our competitors also are subject to fewer regulatory constraints than Verizon. For many services offered by Verizon, the FCC is our primary regulator. The FCC has jurisdiction over interstate telecommunications services and other matters under the Communications Act of 1934, as amended (Communications Act or Act). Other Verizon services are subject to state and local regulation.

FCC Regulation

Broadband

Verizon offers many different broadband and Internet access services The FCC has adopted a series of orders that impose lesser regulatory requirements on broadband services than apply to older voice and slower data services For example certain facility unbundling requirements that apply to narrowband facilities of traditional telephone companies do not apply to broadband facilities In addition, the FCC concluded that both wireline and wireless broadband Internet access services qualify as largely deregulated information services Our broadband Internet access services are subject to various attempts to impose so-called "network neutrality" rules, some of which were affirmed and others vacated on appeal in early 2014 Verizon has been and remains committed to the open Internet which provides consumers with competitive choices and unblocked access to lawful websites and content when, where and how they want This will not change in light of the court's decision Our commitment applies to broadband Internet access services provided over both our wireline and wireless networks and can be found on our website at http://responsibility.verizon.com/broadband-commitment

Video

Verizon offers a multi-channel video service that is regulated like traditional cable service The FCC has a body of rules that apply to cable operators, and these rules also generally apply to Verizon In addition, the Act generally requires companies to obtain a local cable franchise, and the FCC has adopted rules that interpret and implement this requirement In areas where Verizon offers its facilities-based multichannel video services, Verizon has typically been required to obtain a franchise from local authorities

Wireline Voice

Verizon offers many different wireline voice services, including traditional telephone service and other services that rely on newer technologies such as VoIP For regulatory purposes, legacy telephone services are generally considered to be "common carrier" services Common carrier services are subject to heightened regulatory oversight with respect to rates terms and conditions, and other aspects of the services The FCC has not decided the regulatory classification of VoIP but has said VoIP service providers must comply with certain rules, such as 911 capabilities and law enforcement assistance requirements

Wireless Services

The FCC regulates several aspects of Verizon Wireless' operations Generally, the FCC has jurisdiction over the construction, operation acquisition, and transfer of wireless communications systems And all wireless services require use of radio frequency spectrum, the assignment and distribution of which is subject to FCC oversight Verizon Wireless anticipates that it will need additional spectrum to meet future demand It can meet spectrum needs by purchasing licenses or leasing spectrum from others, or by participating in a competitive bidding process for new spectrum from the FCC Both processes are subject to certain reviews, approvals, and potential conditions

Today, Verizon Wireless holds FCC spectrum licenses that allow it to provide a wide range of mobile and fixed communications services, including both voice and data services FCC spectrum licenses typically have a term of 10 years at which time they are subject to renewal While the FCC has routinely renewed all of Verizon Wireless' licenses challenges could be raised in the future If a wireless license were revoked or not renewed, Verizon Wireless would not be permitted to provide services on the spectrum Some of our licenses require us to comply with so-called "open access" FCC regulations which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice, subject to certain technical limitations The FCC has also imposed certain specific mandates on wireless carriers including construction and geographic coverage requirements, technical operating standards, provision of enhanced 911 services, roaming obligations, and requirements for wireless tower and antenna facilities

The Communications Act imposes restrictions on foreign ownership of U S wireless systems The FCC has approved the foreign ownership in Verizon that has resulted from the Wireless Transaction In addition Verizon Wireless, Verizon and Vodafone entered into an agreement with the federal government that imposes national security and law enforcement-related obligations on the ways in which Verizon Wireless stores information and otherwise conducts its business

Intercarrier Compensation and Network Access

The FCC regulates some of the rates that carriers pay each other for the exchange voice traffic (particularly traditional wireline traffic) over different networks and other aspects of interconnection for some voice services In many instances, Verizon makes payments to other providers, and in turn Verizon receives some payments from other carriers In 2011 the FCC issued a broad reform order changing, among other things the framework for many of the per-minute rates that carriers charge each other for the exchange of voice traffic The new rules gradually reduce many of these rates to zero This order is subject to pending reconsideration petitions and appeals The FCC also regulates some of the rates and terms and conditions for certain wireline "special access" and other services and network facilities Verizon is both a seller and a buyer of these services For example, on the wireline side Verizon sells wholesale circuits to other voice and data service providers On the wireless side, Verizon purchases special access and other services to transport traffic to and from cell towers In addition, as required by the Act, Verizon unbundles certain wireline network elements and makes these facilities and services available to other network providers

Universal Service

The Communications Act charges the FCC with ensuring that certain groups and areas have access to communications services, including rural and other high-cost areas, low income subscribers, schools and libraries, rural health-care organizations, and deaf and hard-of-hearing individuals The FCC established different subsidy and discount programs to achieve these goals To pay for these programs, the FCC requires contributions from providers such as Verizon based on reported revenues for certain services Verizon also receives some payments from some of these programs but is a net payer into them.

State Regulation and Local Regulation

Wireline Services

State public utility commissions regulate Verizon's telephone operations with respect to certain telecommunications intrastate matters Verizon operates as an "incumbent local exchange carrier" in 14 states These incumbent operations are subject to various levels of pricing flexibility and other state oversight and requirements Verizon also has other wireline operations that are more lightly regulated In addition, as a video services operator in many states Verizon has been required to obtain a cable franchise from local government entities, or in some cases a state-wide franchise, and to comply with certain one-time and ongoing obligations as a result

Wireless Services

The Communications Act generally preempts regulation by state and local governments of the entry of, or the rates charged by, wireless carriers The Act does not prohibit states from regulating the other "terms and conditions" of wireless service For example, some states attempt to regulate wireless customer billing matters and impose reporting requirements. Several states also have laws or regulations that address safety issues (e g , use of wireless handsets while driving) and taxation matters In addition, wireless tower and antenna facilities are often subject to state and local zoning and land use regulation, and securing approvals for new or modified facilities is often a lengthy and expensive process

Environmental Matters

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all,
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing,
- significantly increased levels of indebtedness as a result of the Wireless Transaction,
- changes in tax laws or treaties, or in their interpretation,
- adverse conditions in the U.S. and international economies,
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact,
- material changes in technology or technology substitution,
- disruption of our key suppliers' provisioning of products or services,
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks,
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance,
- the effects of competition in the markets in which we operate,
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings,
- significant increases in benefit plan costs or lower investment returns on plan assets, and
- the inability to implement our business strategies.

We, the management of Verizon Communications Inc., are responsible for establishing and maintaining adequate internal control over financial reporting of the company. Management has evaluated internal control over financial reporting of the company using the criteria for effective internal control established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992.

Management has assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2013. Based on this assessment, we believe that the internal control over financial reporting of the company is effective as of December 31, 2013. In connection with this assessment, there were no material weaknesses in the company's internal control over financial reporting identified by management.

The company's financial statements included in this Annual Report have been audited by Ernst & Young LLP, independent registered public accounting firm. Ernst & Young LLP has also provided an attestation report on the company's internal control over financial reporting.

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President and Chief Financial Officer

/s/ Anthony T. Skiadas
Anthony T. Skiadas
Senior Vice President and Controller

[illegible] Report of Management on Internal Control Over Financial Reporting

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited Verizon Communications Inc. and subsidiaries' (Verizon) internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992 (1992 framework) (the COSO criteria). Verizon's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Verizon maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Verizon as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013 of Verizon and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York

February 27, 2014

[illegible] Report of Independent Registered Public Accounting Firm

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited the accompanying consolidated balance sheets of Verizon Communications Inc. and subsidiaries (Verizon) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of Verizon's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Verizon at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Verizon's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework), and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York

February 27, 2014

Years Ended December 31, (dollars in millions except per share amounts)	2013	2012	2011
Operating Revenues	$ 120,550	$ 115,846	$ 110,875
Operating Expenses			
Cost of services and sales (exclusive of items shown below)	44,887	46,275	45,875
Selling, general and administrative expense	27,089	39,951	35,624
Depreciation and amortization expense	16,606	16,460	16,496
Total Operating Expenses	88,582	102,686	97,995
Operating Income	31,968	13,160	12,880
Equity in earnings of unconsolidated businesses	142	324	444
Other income and (expense), net	(166)	(1,016)	(14)
Interest expense	(2,667)	(2,571)	(2,827)
Income Before (Provision) Benefit For Income Taxes	29,277	9,897	10,483
(Provision) Benefit for income taxes	(5,730)	660	(285)
Net Income	$ 23,547	$ 10,557	$ 10,198
Net income attributable to noncontrolling interests	$ 12,050	$ 9,682	$ 7,794
Net income attributable to Verizon	11,497	875	2,404
Net Income	$ 23,547	$ 10,557	$ 10,198
Basic Earnings Per Common Share			
Net income attributable to Verizon	$ 4.01	$ 31	$ 85
Weighted-average shares outstanding (in millions)	2,866	2,853	2,833
Diluted Earnings Per Common Share			
Net income attributable to Verizon	$ 4.00	$ 31	$ 85
Weighted-average shares outstanding (in millions)	2,874	2,862	2,839

See Notes to Consolidated Financial Statements

Years Ended December 31, (dollars in millions)	2013	2012	2011
Net Income	$ 23,547	$ 10,557	$ 10,198
Other Comprehensive Income, net of taxes			
Foreign currency translation adjustments	60	69	(119)
Unrealized gain (loss) on cash flow hedges	25	(68)	30
Unrealized gain (loss) on marketable securities	16	29	(7)
Defined benefit pension and postretirement plans	22	936	316
Other comprehensive income attributable to Verizon	123	966	220
Other comprehensive income (loss) attributable to noncontrolling interests	(15)	10	1
Total Comprehensive Income	$ 23,655	$ 11,533	$ 10,419
Comprehensive income attributable to noncontrolling interests	12,035	9,692	7,795
Comprehensive income attributable to Verizon	11,620	1,841	2,624
Total Comprehensive Income	$ 23,655	$ 11,533	$ 10,419

See Notes to Consolidated Financial Statements

At December 31, (dollars in millions, except per share amounts)	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 53,528	$ 3,093
Short-term investments	601	470
Accounts receivable, net of allowances of $645 and $641	12,439	12,576
Inventories	1,020	1,075
Prepaid expenses and other	3,406	4,021
Total current assets	70,994	21,235
Plant, property and equipment	220,865	209,575
Less accumulated depreciation	131,909	120,933
	88,956	88,642
Investments in unconsolidated businesses	3,432	3,401
Wireless licenses	75,747	77,744
Goodwill	24,634	24,139
Other intangible assets, net	5,800	5,933
Other assets	4,535	4,128
Total assets	$ 274,098	$ 225,222
Liabilities and Equity		
Current liabilities		
Debt maturing within one year	$ 3,933	$ 4,369
Accounts payable and accrued liabilities	16,453	16,182
Other	6,664	6,405
Total current liabilities	27,050	26,956
Long-term debt	89,658	47,618
Employee benefit obligations	27,682	34,346
Deferred income taxes	28,639	24,677
Other liabilities	5,653	6,092
Equity		
Series preferred stock ($.10 par value; none issued)	–	–
Common stock ($.10 par value; 2,967,610,129 shares issued in both periods)	297	297
Contributed capital	37,939	37,990
Reinvested earnings (Accumulated deficit)	1,782	(3,734)
Accumulated other comprehensive income	2,358	2,235
Common stock in treasury, at cost	(3,961)	(4,071)
Deferred compensation – employee stock ownership plans and other	421	440
Noncontrolling interests	56,580	52,376
Total equity	95,416	85,533
Total liabilities and equity	$ 274,098	$ 225,222

See Notes to Consolidated Financial Statements

Years Ended December 31, (dollars in millions)	2013	2012	2011
Cash Flows from Operating Activities			
Net Income	$ 23,547	$ 10,557	$ 10,198
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization expense	16,606	16,460	16,496
Employee retirement benefits	(5,052)	8,198	7,426
Deferred income taxes	5,785	(952)	(223)
Provision for uncollectible accounts	993	972	1,026
Equity in earnings of unconsolidated businesses, net of dividends received	(102)	77	36
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses			
Accounts receivable	(843)	(1,717)	(966)
Inventories	56	(336)	208
Other assets	(143)	306	86
Accounts payable and accrued liabilities	925	1,243	(1,607)
Other, net	(2,954)	(3,523)	(2,900)
Net cash provided by operating activities	38,818	31,486	29,780
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(16,604)	(16,125)	(16,244)
Acquisitions of investments and businesses, net of cash acquired	(494)	(912)	(1,797)
Acquisitions of wireless licenses	(580)	(4,298)	(221)
Proceeds from dispositions of wireless licenses	2,111	360	–
Net change in short-term investments	63	27	45
Other, net	671	494	977
Net cash used in investing activities	(14,833)	(20,502)	(17,250)
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	49,166	4,489	11,060
Repayments of long-term borrowings and capital lease obligations	(8,163)	(6,403)	(11,805)
Decrease in short-term obligations, excluding current maturities	(142)	(1,437)	1,928
Dividends paid	(5,936)	(5,230)	(5,555)
Proceeds from sale of common stock	85	112	241
Purchase of common stock for treasury	(153)	–	–
Special distribution to noncontrolling interest	(3,150)	(8,425)	–
Other, net	(5,257)	(4,667)	(1,705)
Net cash provided by (used in) financing activities	26,450	(21,253)	(5,836)
Increase (decrease) in cash and cash equivalents	50,435	(10,269)	6,694
Cash and cash equivalents, beginning of period	3,093	13,362	6,668
Cash and cash equivalents, end of period	$ 53,528	$ 3,093	$ 13,362

See Notes to Consolidated Financial Statements

(dollars in millions, except per share amounts and shares in thousands)

Years Ended December 31,	2013		2012		2011	
	Shares	Amount	Shares	Amount	Shares	Amount
Common Stock						
Balance at beginning of year	2,967,610	$ 297	2,967,610	$ 297	2,967,610	$ 297
Balance at end of year	2,967,610	297	2,967,610	297	2,967,610	297
Contributed Capital						
Balance at beginning of year		37,990		37,919		37,922
Other		(51)		71		(3)
Balance at end of year		37,939		37,990		37,919
Reinvested Earnings (Accumulated Deficit)						
Balance at beginning of year		(3,734)		1,179		4,368
Net income attributable to Verizon		11,497		875		2,404
Dividends declared ($2.09, $2.03 $1.975) per share		(5,981)		(5,788)		(5,593)
Balance at end of year		1,782		(3,734)		1,179
Accumulated Other Comprehensive Income						
Balance at beginning of year attributable to Verizon		2,235		1,269		1,049
Foreign currency translation adjustments		60		69		(119)
Unrealized gains (losses) on cash flow hedges		25		(68)		30
Unrealized gains (losses) on marketable securities		16		29		(7)
Defined benefit pension and postretirement plans		22		936		316
Other comprehensive income		123		966		220
Balance at end of year attributable to Verizon		2,358		2,235		1,269
Treasury Stock						
Balance at beginning of year	(109,041)	(4,071)	(133,594)	(5,002)	(140,587)	(5,267)
Shares purchased	(3,500)	(153)	-	-	-	-
Employee plans (Note 15)	6,835	260	11,434	433	6,982	265
Shareowner plans (Note 15)	96	3	13,119	498	11	-
Balance at end of year	(105,610)	(3,961)	(109,041)	(4,071)	(133,594)	(5,002)
Deferred Compensation-ESOPs and Other						
Balance at beginning of year		440		308		200
Restricted stock equity grant		152		196		146
Amortization		(171)		(64)		(38)
Balance at end of year		421		440		308
Noncontrolling Interests						
Balance at beginning of year		52,376		49,938		48,343
Net income attributable to noncontrolling interests		12,050		9,682		7,794
Other comprehensive income (loss)		(15)		10		1
Total comprehensive income		12,035		9,692		7,795
Distributions and other		(7,831)		(7,254)		(6,200)
Balance at end of year		56,580		52,376		49,938
Total Equity		$95,416		$ 85,533		$ 85,908

See Notes to Consolidated Financial Statements

Description of Business and Summary of Significant Accounting Policies

Description of Business

Verizon Communications Inc. (Verizon or the Company) is a holding company, which acting through its subsidiaries is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. We have two reportable segments, Wireless and Wireline. For further information concerning our business segments see Note 13.

The Wireless segment provides wireless communications services across one of the most extensive wireless networks in the United States (U.S.) and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and third-generation (3G) networks of any U.S. wireless service provider.

The Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

Consolidation

The method of accounting applied to investments, whether consolidated, equity or cost, involves an evaluation of all significant terms of the investments that explicitly grant or suggest evidence of control or influence over the operations of the investee. The consolidated financial statements include our controlled subsidiaries. For controlled subsidiaries that are not wholly-owned, the noncontrolling interests are included in Net income and Total equity. Investments in businesses which we do not control, but have the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. Investments in which we do not have the ability to exercise significant influence over operating and financial policies are accounted for under the cost method. Equity and cost method investments are included in Investments in unconsolidated businesses in our consolidated balance sheets. Certain of our cost method investments are classified as available-for-sale securities and adjusted to fair value pursuant to the accounting standard related to debt and equity securities. All significant intercompany accounts and transactions have been eliminated.

Basis of Presentation

We have reclassified certain prior year amounts to conform to the current year presentation.

Use of Estimates

We prepare our financial statements using U.S. generally accepted accounting principles (GAAP), which require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Examples of significant estimates include: the allowance for doubtful accounts, the recoverability of plant, property and equipment, the recoverability of intangible assets and other long-lived assets, unbilled revenues, fair values of financial instruments, unrecognized tax benefits, valuation allowances on tax assets, accrued expenses, pension and postretirement benefit assumptions, contingencies and allocation of purchase prices in connection with business combinations.

Revenue Recognition

Multiple Deliverable Arrangements

In both our Wireless and Wireline segments, we offer products and services to our customers through bundled arrangements. These arrangements involve multiple deliverables which may include products, services, or a combination of products and services.

Wireless

Our Wireless segment earns revenue primarily by providing access to and usage of its network. In general, access revenue is billed one month in advance and recognized when earned. Usage revenue is generally billed in arrears and recognized when service is rendered. Equipment sales revenue associated with the sale of wireless handsets and accessories is recognized when the products are delivered to and accepted by the customer, as this is considered to be a separate earnings process from providing wireless services. For agreements involving the resale of third-party services in which we are considered the primary obligor in the arrangements, we record the revenue gross at the time of the sale. For equipment sales we generally subsidize the cost of wireless devices. The amount of this subsidy is generally contingent on the arrangement and terms selected by the customer. In multiple deliverable arrangements which involve the sale of equipment and a service contract, the equipment revenue is recognized up to the amount collected when the wireless device is sold.

Wireline

Our Wireline segment earns revenue based upon usage of its network and facilities and contract fees. In general, fixed monthly fees for voice, video, data and certain other services are billed one month in advance and recognized when earned. Revenue from services that are not fixed in amount and are based on usage is generally billed in arrears and recognized when service is rendered.

We sell each of the services offered in bundled arrangements (e.g., voice, video and data), as well as separately; therefore each product or service has a standalone selling price. For these arrangements, revenue is allocated to each deliverable using a relative selling price method. Under this method, arrangement consideration is allocated to each separate deliverable based on our standalone selling price for each product or service. These services include FiOS services individually or in bundles, and High Speed Internet.

When we bundle equipment with maintenance and monitoring services, we recognize equipment revenue when the equipment is installed in accordance with contractual specifications and ready for the customer's use. The maintenance and monitoring services are recognized monthly over the term of the contract as we provide the services.

Installation related fees, along with the associated costs up to but not exceeding these fees, are deferred and amortized over the estimated customer relationship period.

For each of our segments we report taxes imposed by governmental authorities on revenue-producing transactions between us and our customers on a net basis.

Maintenance and Repairs

We charge the cost of maintenance and repairs, including the cost of replacing minor items not constituting substantial betterments, principally to Cost of services and sales as these costs are incurred.

Advertising Costs

Costs for advertising products and services as well as other promotional and sponsorship costs are charged to Selling, general and administrative expense in the periods in which they are incurred (see Note 15).

Earnings Per Common Share

Basic earnings per common share are based on the weighted-average number of shares outstanding during the period. Where appropriate, diluted earnings per common share include the dilutive effect of shares issuable under our stock-based compensation plans.

There were a total of approximately 8 million, 9 million and 6 million stock options and restricted stock units outstanding included in the computation of diluted earnings per common share for the years ended December 31, 2013, 2012 and 2011, respectively. Outstanding options to purchase shares that were not included in the computation of diluted earnings per common share, because to do so would have been anti-dilutive for the period, were not significant for the years ended December 31, 2013 and 2012, respectively, and included approximately 19 million weighted-average shares for the year ended December 31, 2011.

As of December 31, 2013, we were authorized to issue up to 4.25 billion and 250 million shares of common stock and Series Preferred Stock, respectively. On January 28, 2014, at a special meeting of our shareholders, we received shareholder approval to increase our authorized shares of common stock by 2 billion shares to an aggregate of 6.25 billion authorized shares of common stock. On February 4, 2014, this authorization became effective.

Cash and Cash Equivalents

We consider all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates quoted market value, and include amounts held in money market funds.

Marketable Securities

We have investments in marketable securities which are considered "available-for-sale" under the provisions of the accounting standard for certain debt and equity securities, and are included in the accompanying consolidated balance sheets in Short-term investments, Investments in unconsolidated businesses or Other assets. We continually evaluate our investments in marketable securities for impairment due to declines in market value considered to be other-than-temporary. That evaluation includes, in addition to persistent, declining stock prices, general economic and company-specific evaluations. In the event of a determination that a decline in market value is other-than-temporary, a charge to earnings is recorded for the loss, and a new cost basis in the investment is established.

Inventories

Inventory consists of wireless and wireline equipment held for sale, which is carried at the lower of cost (determined principally on either an average cost or first-in, first-out basis) or market.

Plant and Depreciation

We record plant, property and equipment at cost. Plant, property and equipment of wireline and wireless operations are generally depreciated on a straight-line basis.

Leasehold improvements are amortized over the shorter of the estimated life of the improvement or the remaining term of the related lease, calculated from the time the asset was placed in service.

When the depreciable assets of our wireline and wireless operations are retired or otherwise disposed of, the related cost and accumulated depreciation are deducted from the plant accounts, and any gains or losses on disposition are recognized in income.

We capitalize and depreciate network software purchased or developed along with related plant assets. We also capitalize interest associated with the acquisition or construction of network-related assets. Capitalized interest is reported as a reduction in interest expense and depreciated as part of the cost of the network-related assets.

In connection with our ongoing review of the estimated remaining average useful lives of plant, property and equipment at our local telephone operations, we determined that there were no changes necessary for average useful lives for 2013, 2012 and 2011. In connection with our ongoing review of the estimated remaining average useful lives of plant, property and equipment at our wireless operations, we determined that changes were necessary to the remaining estimated useful lives as a result of technology upgrades, enhancements, and planned retirements. These changes resulted in an increase in depreciation expense of $0.4 billion in 2011. While the timing and extent of current deployment plans are subject to ongoing analysis and modification, we believe the current estimates of useful lives are reasonable.

Computer Software Costs

We capitalize the cost of internal-use network and non-network software that has a useful life in excess of one year. Subsequent additions, modifications or upgrades to internal-use network and non-network software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Planning, software maintenance and training costs are expensed in the period in which they are incurred. Also, we capitalize interest associated with the development of internal-use network and non-network software. Capitalized non-network internal-use software costs are amortized using the straight-line method over a period of 3 to 7 years and are included in Other intangible assets, net in our consolidated balance sheets. For a discussion of our impairment policy for capitalized software costs, see "Goodwill and Other Intangible Assets" below. Also, see Note 3 for additional detail of internal-use non-network software reflected in our consolidated balance sheets.

Goodwill and Other Intangible Assets

Goodwill

Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. Impairment testing for goodwill is performed annually in the fourth fiscal quarter or more frequently if impairment indicators are present. The Company has the option to perform a qualitative assessment to determine if the fair value of the entity is less than its carrying value. However, the Company may elect to perform an impairment test even if no indications of a potential impairment exist. The impairment test for goodwill uses a two-step approach, which is performed at the reporting unit level. We have determined that in our case, the reporting units are our operating segments since that is the lowest level at which discrete, reliable financial and cash flow information is available. Step one compares the fair value of the reporting unit (calculated using a market approach and/or a discounted cash flow method) to its carrying value. If the carrying value exceeds the fair value, there is a potential impairment and step two must be performed. Step two compares the carrying value of the reporting unit's goodwill to its implied fair value (i.e., fair value of reporting unit less the fair value of the unit's assets and liabilities, including identifiable intangible assets). If the implied fair value of goodwill is less than the carrying amount of goodwill, an impairment is recognized.

Intangible Assets Not Subject to Amortization

A significant portion of our intangible assets are wireless licenses that provide our wireless operations with the exclusive right to utilize designated radio frequency spectrum to provide wireless communication services. While licenses are issued for only a fixed time, generally ten years, such licenses are subject to renewal by the Federal Communications Commission (FCC). License renewals have occurred routinely and at nominal cost. Moreover, we have determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses. As a result, we treat the wireless licenses as an indefinite-lived intangible asset. We reevaluate the useful life determination for wireless licenses each year to determine whether events and circumstances continue to support an indefinite useful life.

We test our wireless licenses for potential impairment annually. In 2013, we performed a qualitative assessment to determine whether it is more likely than not that the fair value of our wireless licenses was less than the carrying amount. As part of our assessment, we considered several qualitative factors including the business enterprise value of Wireless, macroeconomic conditions (including changes in interest rates and discount rates), industry and market considerations (including industry revenue and EBITDA (Earnings before interest, taxes, depreciation and amortization) margin projections), the projected financial performance of Wireless, as well as other factors. In 2012 and 2011, our quantitative assessment consisted of comparing the estimated fair value of our wireless licenses to the aggregated carrying amount as of the test date. Using the quantitative assessment, we evaluated our licenses on an aggregate basis using a direct value approach. The direct value approach estimates fair value using a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date. If the fair value of the aggregated wireless licenses is less than the aggregated carrying amount of the licenses, an impairment is recognized.

Interest expense incurred while qualifying activities are performed to ready wireless licenses for their intended use is capitalized as part of wireless licenses. The capitalization period ends when the development is discontinued or substantially complete and the license is ready for its intended use.

Intangible Assets Subject to Amortization and Long-Lived Assets

Our intangible assets that do not have indefinite lives (primarily customer lists and non-network internal-use software) are amortized over their estimated useful lives. All of our intangible assets subject to amortization and long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any indications were present, we would test for recoverability by comparing the carrying amount of the asset group to the net undiscounted cash flows expected to be generated from the asset group. If those net undiscounted cash flows do not exceed the carrying amount, we would perform the next step, which is to determine the fair value of the asset and record an impairment, if any. We reevaluate the useful life determinations for these intangible assets each year to determine whether events and circumstances warrant a revision in their remaining useful lives.

For information related to the carrying amount of goodwill by segment, wireless licenses and other intangible assets, as well as the major components and average useful lives of our other acquired intangible assets, see Note 3.

Fair Value Measurements

Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities
Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities
Level 3—No observable pricing inputs in the market

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Income Taxes

Our effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations and tax planning strategies available to us in the various jurisdictions in which we operate.

Deferred income taxes are provided for temporary differences in the bases between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at tax rates then in effect. We record valuation allowances to reduce our deferred tax assets to the amount that is more likely than not to be realized.

We use a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return. The first step is recognition: we determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. The second step is measurement: a tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in one or more of the following: an increase in a liability for income taxes payable, a reduction of an income tax refund receivable, a reduction in a deferred tax asset, or an increase in a deferred tax liability.

The accounting standard relating to income taxes generated by leveraged lease transactions requires that changes in the projected timing of income tax cash flows generated by a leveraged lease transaction be recognized as a gain or loss in the year in which the change occurs.

Significant management judgment is required in evaluating our tax positions and in determining our effective tax rate.

Stock-Based Compensation

We measure and recognize compensation expense for all stock-based compensation awards made to employees and directors based on estimated fair values. See Note 10 for further details.

Foreign Currency Translation

The functional currency of our foreign operations is generally the local currency. For these foreign entities, we translate income statement amounts at average exchange rates for the period, and we translate assets and liabilities at end-of-period exchange rates. We record these translation adjustments in Accumulated other comprehensive income, a separate component of Equity. In our consolidated balance sheets. We report exchange gains and losses on intercompany foreign currency transactions of a long-term nature in Accumulated other comprehensive income. Other exchange gains and losses are reported in income.

Employee Benefit Plans

Pension and postretirement health care and life insurance benefits earned during the year as well as interest on projected benefit obligations are accrued currently. Prior service costs and credits resulting from changes in plan benefits are generally amortized over the average remaining service period of the employees expected to receive benefits. Expected return on plan assets is determined by applying the return on assets assumption to the actual fair value of plan assets. Actuarial gains and losses are recognized in operating results in the year in which they occur. These gains and losses are measured annually as of December 31 or upon a remeasurement event. Verizon management employees no longer earn pension benefits or earn service towards the company retiree medical subsidy (see Note 11).

We recognize a pension or a postretirement plan's funded status as either an asset or liability on the consolidated balance sheets. Also, we measure any unrecognized prior service costs and credits that arise during the period as a component of Accumulated other comprehensive income, net of applicable income tax.

Derivative Instruments

We have entered into derivative transactions primarily to manage our exposure to fluctuations in foreign currency exchange rates, interest rates, equity and commodity prices. We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate and commodity swap agreements and interest rate locks. We do not hold derivatives for trading purposes.

We measure all derivatives, including derivatives embedded in other financial instruments, at fair value and recognize them as either assets or liabilities on our consolidated balance sheets. Our derivative instruments are valued primarily using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified as Level 2. Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period. Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item. Changes in the fair value of the effective portions of cash flow hedges are reported in Other comprehensive income and recognized in earnings when the hedged item is recognized in earnings.

Recently Adopted Accounting Standards

During the first quarter of 2013, we adopted the accounting standard update regarding testing of intangible assets for impairment. This standard update allows companies the option to perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired. An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not the asset is impaired. The adoption of this standard update did not have an impact on our consolidated financial statements.

During the first quarter of 2013, we adopted the accounting standard update regarding reclassifications out of Accumulated other comprehensive income. This standard update requires companies to report the effect of significant reclassifications out of Accumulated other comprehensive income on the respective line items in our consolidated statements of income if the amount being reclassified is required to be reclassified in its entirety to net income. For other amounts that are not required to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference to other required disclosures that provide additional detail about those amounts. See Note 14 for additional details.

During the third quarter of 2013, we adopted the accounting standard update regarding the ability to use the Federal Funds Effective Swap Rate as a U.S. benchmark interest rate for hedge accounting purposes. Previously, the interest rates on direct Treasury obligations of the U.S. government and the London Interbank Offered Rate (LIBOR) were considered to be the only benchmark interest rates. The adoption of this standard update did not have a significant impact on our consolidated financial statements.

Recent Accounting Standards

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists was issued. The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. We will adopt this standard update during the first quarter of 2014. We are currently evaluating the consolidated balance sheet impact related to this standard update.

Acquisitions and Divestitures

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion.

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VF1 Inc.), which indirectly through certain subsidiaries (together with VF1 Inc., the Purchased Entities) owned the Vodafone Interest. In consideration for the Transferred Shares upon completion of the Wireless Transaction, Verizon (i) paid approximately $58.89 billion in cash, (ii) issued approximately $60.15 billion of Verizon's common stock, par value $0.10 per share (the Stock Consideration), (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5.0 billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23.1% interest in Vodafone Omnitel N.V. (Omnitel, and such interest, the Omnitel Interest), valued at $3.5 billion and (v) provided other consideration of approximately $7.5 billion. As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares. The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness. See Note 8 for additional information.

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted. As a result, we will account for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in Verizon Wireless. Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted will be recognized in equity attributable to Verizon.

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also implemented the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement. We will recognize a gain on the disposal of the Omnitel interest in the first quarter of 2014.

Verizon Notes

The Verizon Notes were issued pursuant to Verizon's existing indenture. The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014. The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR plus 1.222% and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.872%. The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series. Beginning two years after the closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods commencing January 1, 2017. The Verizon Notes held by third parties will not be redeemable. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration paid to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D (825,000 shares outstanding) and Class E shares (825,600 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares will be classified as liability instruments and will be recorded at fair value as determined at the closing of the Wireless Transaction.

Pro Forma Information

The unaudited pro forma information presents the combined operating results of Verizon and the Vodafone Interest, with the results prior to the Wireless Transaction closing date adjusted to include the pro forma impact of: the elimination of the historical equity in earnings, net of tax, related to the investment in Omnitel; an adjustment to reflect interest expense associated with the additional indebtedness incurred and expected to be incurred in connection with the Wireless Transaction and outstanding as of the closing of the Wireless Transaction; an adjustment for the dividends on the Preferred Stock; an adjustment for the amortization of certain debt incurrence costs based on the contractual life of the underlying indebtedness; an adjustment to reflect changes in the provision for income taxes associated with the additional income attributable to Verizon and the benefit associated with the additional interest expense; the elimination of the historical net income attributable to noncontrolling interests representing the noncontrolling interest in Verizon Wireless; and an adjustment to reflect the sum of all other adjustments to the pro forma condensed consolidated statements of income on net income attributable to Verizon.

The unaudited pro forma results are presented for illustrative purposes only. These pro forma results do not purport to be indicative of the results that would have actually been obtained if the Wireless Transaction had occurred as of January 1, 2012, nor does the pro forma data intend to be a projection of results that may be obtained in the future.

The following unaudited pro forma consolidated results of operations assume that the Wireless Transaction was completed as of January 1, 2012.

	(dollars in millions)	
Years ended December 31	2013	2012
Net income attributable to Verizon	$ 17,058	$ 4,449

Spectrum License Transactions

Since 2012, we have entered into several strategic spectrum transactions including:

- During the third quarter of 2012, after receiving the required regulatory approvals, Verizon Wireless completed the following previously announced transactions in which we acquired wireless spectrum that will be used to deploy additional 4G LTE capacity.
  - Verizon Wireless acquired Advanced Wireless Services (AWS) spectrum in separate transactions with SpectrumCo and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. Verizon Wireless has also recorded a liability of $0.4 billion related to a three-year service obligation to SpectrumCo's members pursuant to commercial agreements executed concurrently with the SpectrumCo transaction.
  - Verizon Wireless completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless and a subsidiary of T-Mobile USA, Inc. (T-Mobile USA). As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and Personal Communication Services (PCS) licenses at fair value and net cash proceeds of $0.2 billion, transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless, and recorded an immaterial gain.
- During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value and recorded an immaterial gain.
- During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T Inc. (AT&T) in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.
- During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the FCC and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these agreements, $0.9 billion of Wireless licenses are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013. Upon completion of the transaction, we expect to record an immaterial gain.
- Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.

Other

During 2013, we acquired various other wireless licenses and markets for cash consideration that was not significant. Additionally, we obtained control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated, which resulted in an immaterial gain. We recorded $0.2 billion of goodwill as a result of these transactions.

During 2012, we acquired various other wireless licenses and markets for cash consideration that was not significant and recorded $0.2 billion of goodwill as a result of these transactions.

Wireline

HUGHES Telematics, Inc.

During July 2012, we acquired HUGHES Telematics, Inc. (HUGHES Telematics) for approximately $12 per share in cash for a total acquisition price of $0.6 billion. As a result of the transaction, HUGHES Telematics became a wholly-owned subsidiary of Verizon. The consolidated financial statements include the results of HUGHES Telematics' operations from the date the acquisition closed. Upon closing, we recorded approximately $0.6 billion of goodwill, $0.3 billion of other intangibles and assumed the debt obligations of HUGHES Telematics which were approximately $0.1 billion as of the date of acquisition and which were repaid by Verizon. Had this acquisition been completed on January 1, 2012 or 2013, the results of the acquired operations of HUGHES Telematics would not have had a significant impact on the consolidated net income attributable to Verizon. The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers.

The acquisition of HUGHES Telematics was accounted for as a business combination under the acquisition method. The cost of the acquisition was allocated to the assets and liabilities acquired based on their fair values as of the close of the acquisition, with the excess amount being recorded as goodwill.

Terremark Worldwide, Inc.

During April 2011, we acquired Terremark Worldwide, Inc. (Terremark), a global provider of information technology infrastructure and cloud services, for $19 per share in cash. Closing and other direct acquisition-related costs totaled approximately $13 million after-tax. The acquisition was completed via a tender offer followed by a "short-form" merger under Delaware law through which Terremark became a wholly-owned subsidiary of Verizon. The acquisition enhanced Verizon's offerings to business and government customers globally.

The consolidated financial statements include the results of Terremark's operations from the date the acquisition closed. Had this acquisition been consummated on January 1, 2011, the results of Terremark's acquired operations would not have had a significant impact on the consolidated net income attributable to Verizon. The debt obligations of Terremark that were outstanding at the time of its acquisition by Verizon were repaid during May 2011.

Other

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Upon closing, we recorded $0.3 billion of goodwill. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. The consolidated financial statements include the results of the operations of each of these acquisitions from the date each acquisition closed.

On January 21, 2014, Verizon announced an agreement to acquire a business dedicated to the development of cloud television products and services for cash consideration that was not significant. The transaction, which was completed in February 2014, is expected to accelerate the availability of next-generation video services.

Note 5
Wireless Licenses, Goodwill and Other Intangible Assets

Wireless Licenses

Changes in the carrying amount of Wireless licenses are as follows:

	(dollars in millions)
Balance at January 1, 2012	$ 73,250
Acquisitions (Note 2)	4,544
Capitalized interest on wireless licenses	205
Reclassifications, adjustments and other	(255)
Balance at December 31, 2012	$ 77,744
Acquisitions (Note 2)	579
Dispositions (Note 2)	(2,361)
Capitalized interest on wireless licenses	566
Reclassifications, adjustments and other	(781)
Balance at December 31, 2013	$ 75,747

Reclassifications, adjustments and other includes $0.9 billion of Wireless licenses that are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013 as well as the exchanges of wireless licenses in 2013 and 2012. See Note 2 for additional details.

At December 31, 2013 and 2012, approximately $7.7 billion and $7.3 billion, respectively, of wireless licenses were under development for commercial service for which we were capitalizing interest costs.

The average remaining renewal period of our wireless license portfolio was 5.1 years as of December 31, 2013. See Note 1 for additional details.

Goodwill

Changes in the carrying amount of Goodwill are as follows:

	Wireless	Wireline	(dollars in millions) Total
Balance at January 1, 2012	$ 17,963	$ 5,394	$ 23,357
Acquisitions (Note 2)	209	551	760
Reclassifications, adjustments and other	–	22	22
Balance at December 31, 2012	$ 18,172	$ 5,967	$ 24,139
Acquisitions (Note 2)	204	291	495
Balance at December 31, 2013	**$ 18,376**	**$ 6,258**	**$ 24,634**

The increase in Goodwill at Wireless at December 31, 2013 was primarily due to obtaining control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated. This resulted in an immaterial gain recorded during the year ended December 31, 2013. The increase in Goodwill at Wireline at December 31, 2013 was primarily due to the acquisition of a provider of content delivery networks.

Other Intangible Assets

The following table displays the composition of Other intangible assets, net:

At December 31,	2013 Gross Amount	2013 Accumulated Amortization	2013 Net Amount	2012 Gross Amount	2012 Accumulated Amortization	(dollars in millions) 2012 Net Amount
Customer lists (5 to 13 years)	$ 3,639	$ (2,660)	$ 979	$ 3,556	$ (2,338)	$ 1,218
Non-network internal-use software (3 to 7 years)	11,770	(7,317)	4,453	10,415	(6,210)	4,205
Other (2 to 25 years)	691	(323)	368	802	(292)	510
Total	$ 16,100	$ (10,300)	$ 5,800	$ 14,773	$ (8,840)	$ 5,933

The amortization expense for Other intangible assets was as follows:

Years	(dollars in millions)
2013	**$ 1,587**
2012	1,540
2011	1,505

Estimated annual amortization expense for Other intangible assets is as follows:

Years	(dollars in millions)
2014	$ 1,486
2015	1,215
2016	971
2017	784
2018	619

Note 6
Plant, Property and Equipment

The following table displays the details of Plant, property and equipment, which is stated at cost:

At December 31,	Lives (years)	2013	(dollars in millions) 2012
Land	–	$ 819	$ 859
Buildings and equipment	15-45	23,857	22,909
Central office and other network equipment	3-15	121,594	113,262
Cable, poles and conduit	11-50	55,240	53,761
Leasehold improvements	5-20	5,877	5,404
Work in progress	–	4,176	4,126
Furniture, vehicles and other	3-20	9,302	9,254
		220,865	209,575
Less accumulated depreciation		131,909	120,933
Total		$ 88,956	$ 88,642

Note 7
Investments in Unconsolidated Businesses

Our investments in unconsolidated businesses are comprised of the following:

At December 31,	Ownership	2013	(dollars in millions) 2012
Equity Investees			
Vodafone Omnitel	23.1%	$ 2,511	$ 2,200
Other	Various	818	1,106
Total equity investees		3,329	3,306
Cost Investees	Various	103	95
Total investments in unconsolidated businesses		$ 3,432	$ 3,401

Dividends and repatriations of foreign earnings received from these investees were not significant in 2013, $0.4 billion in 2012 and $0.5 billion in 2011. See Note 12 regarding undistributed earnings of our foreign subsidiaries.

Equity Method Investments

Vodafone Omnitel

Vodafone Omnitel N.V. (Vodafone Omnitel) is one of the largest wireless communications companies in Italy. At December 31, 2013 and 2012, our investment in Vodafone Omnitel included goodwill of $1.1 billion and $1.0 billion, respectively. As part of the consideration of the Wireless Transaction, a subsidiary of Verizon sold its entire ownership interest in Vodafone Omnitel to a subsidiary of Vodafone on February 21, 2014. See Note 2 for additional information.

Other Equity Investees

The remaining investments include wireless partnerships in the U.S., limited partnership investments in entities that invest in affordable housing projects and other smaller domestic and international investments.

Summarized Financial Information

Summarized financial information for our equity investees is as follows:

Balance Sheet

At December 31,	2013	(dollars in millions) 2012
Current assets	$ 3,983	$ 3,516
Noncurrent assets	7,748	8,159
Total assets	$ 11,731	$ 11,675
Current liabilities	$ 4,692	$ 5,526
Noncurrent liabilities	5	5
Equity	7,034	6,144
Total liabilities and equity	$ 11,731	$ 11,675

Income Statement

Years Ended December 31,	2013	2012	(dollars in millions) 2011
Net revenue	$ 8,984	$ 10,525	$ 12,068
Operating income	1,632	2,823	3,027
Net income	925	1,679	2,451

Note 8
Noncontrolling Interests

Noncontrolling interests in equity of subsidiaries were as follows:

At December 31,	2013	(dollars in millions) 2012
Verizon Wireless	$ 55,465	$ 51,492
Wireless partnerships and other	1,115	884
	$ 56,580	$ 52,376

Wireless Joint Venture

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless (Verizon Wireless). Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, Verizon completed the Wireless Transaction and acquired 100% ownership of Verizon Wireless. See Note 2 for additional information.

Special Distributions

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7.0 billion. As a result, Vodafone received a cash payment of $3.15 billion and the remainder of the distribution was received by Verizon.

In November 2012, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the fourth quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $8.5 billion. As a result, Vodafone received a cash payment of $3.8 billion and the remainder of the distribution was received by Verizon.

In July 2011, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the first quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $10 billion. As a result, Vodafone received a cash payment of $4.5 billion and the remainder of the distribution was received by Verizon.

Note 9
Leasing Arrangements

As Lessor

We are the lessor in leveraged and direct financing lease agreements for commercial aircraft and power generating facilities, which comprise the majority of our leasing portfolio along with telecommunications equipment, commercial real estate property and other equipment. These leases have remaining terms of up to 37 years as of December 31, 2013. In addition, we lease space on certain of our cell towers to other wireless carriers. Minimum lease payments receivable represent unpaid rentals, less principal and interest on third-party nonrecourse debt relating to leveraged lease transactions. Since we have no general liability for this debt, which is secured by a senior security interest in the leased equipment and rentals, the related principal and interest have been offset against the minimum lease payments receivable in accordance with U.S. GAAP. All recourse debt is reflected in our consolidated balance sheets.

At each reporting period, we monitor the credit quality of the various lessees in our portfolios. Regarding the leveraged lease portfolio, external credit reports are used where available and where not available we use internally developed indicators. These indicators or internal credit risk grades factor historic loss experience, the value of the underlying collateral, delinquency trends and industry and general economic conditions. The credit quality of our lessees varies from AAA to CCC-1. For each reporting period, the leveraged leases within the portfolio are reviewed for indications of impairment where it is probable the rent due according to the contractual terms of the lease will not be collected. All significant accounts, individually or in the aggregate, are current and none are classified as impaired.

Finance lease receivables, which are included in Prepaid expenses and other and Other assets in our consolidated balance sheets are comprised of the following

(dollars in millions)

At December 31,	2013			2012		
	Leveraged Leases	Direct Finance Leases	Total	Leveraged Leases	Direct Finance Leases	Total
Minimum lease payments receivable	$ 1,069	$ 16	$ 1,085	$ 1,253	$ 58	$ 1,311
Estimated residual value	780	5	785	923	6	929
Unearned income	(589)	(4)	(593)	(654)	(10)	(664)
Total	$ 1,260	$ 17	$ 1,277	$ 1,522	$ 54	$ 1,576
Allowance for doubtful accounts			(90)			(99)
Finance lease receivables, net			$ 1,187			$ 1,477
Prepaid expenses and other			$ 5			$ 22
Other assets			1,182			1,455
			$ 1,187			$ 1,477

Accumulated deferred taxes arising from leveraged leases, which are included in Deferred income taxes, amounted to $1.0 billion at December 31, 2013 and $1.2 billion at December 31, 2012.

The following table is a summary of the components of income from leveraged leases.

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Pre-tax income	$ 34	$ 30	$ 61
Income tax expense	12	12	24

The future minimum lease payments to be received from noncancelable capital leases (direct financing and leveraged leases), net of nonrecourse loan payments related to leveraged leases and allowances for doubtful accounts, along with expected receipts relating to operating leases for the periods shown at December 31, 2013, are as follows:

(dollars in millions)

Years	Capital Leases	Operating Leases
2014	$ 34	$ 197
2015	46	170
2016	114	142
2017	38	50
2018	56	23
Thereafter	797	19
Total	$ 1,085	$ 601

As Lessee

We lease certain facilities and equipment for use in our operations under both capital and operating leases. Total rent expense under operating leases amounted to $2.6 billion in 2013 and $2.5 billion in 2012 and 2011, respectively.

Amortization of capital leases is included in Depreciation and amortization expense in the consolidated statements of income. Capital lease amounts included in Plant, property and equipment are as follows:

(dollars in millions)

At December 31	2013	2012
Capital leases	$ 353	$ 358
Less accumulated amortization	188	158
Total	$ 165	$ 200

The aggregate minimum rental commitments under noncancelable leases for the periods shown at December 31, 2013, are as follows:

(dollars in millions)

Years	Capital Leases	Operating Leases
2014	$ 110	$ 2,255
2015	70	2,020
2016	54	1,703
2017	46	1,379
2018	20	1,085
Thereafter	83	3,748
Total minimum rental commitments	383	$ 12,190
Less interest and executory costs	90	
Present value of minimum lease payments	293	
Less current installments	91	
Long-term obligation at December 31, 2013	$ 202	

Debt

Changes to debt during 2013 are as follows:

(dollars in millions)

	Debt Maturing within One Year	Long-term Debt	Total
Balance at January 1, 2013	$ 4,369	$ 47,618	$ 51,987
Proceeds from long-term borrowings	–	49,166	49,166
Repayments of long-term borrowings and capital lease obligations	(3,943)	(4,220)	(8,163)
Decrease in short-term obligations, excluding current maturities	(142)	–	(142)
Reclassifications of long-term debt	3,328	(3,328)	–
Other	321	422	743
Balance at December 31, 2013	$ 3,933	$ 89,658	$ 93,591

Debt maturing within one year is as follows:

(dollars in millions)

At December 31,	2013	2012
Long-term debt maturing within one year	$ 3,486	$ 3,869
Commercial paper and other	447	500
Total debt maturing within one year	$ 3,933	$ 4,369

The weighted-average interest rate for our commercial paper outstanding was 0.2% and 0.4% at December 31, 2013 and 2012, respectively.

Credit Facilities

On August 13, 2013, we amended our $6.2 billion credit facility with a group of major financial institutions to extend the maturity date to August 12, 2017. As of December 31, 2013, the unused borrowing capacity under this credit facility was approximately $6.1 billion.

During October 2013, we entered into a $2.0 billion 364-day revolving credit agreement with a group of major financial institutions. Although effective as of October 2013, we could not draw on this revolving credit agreement prior to the completion of the Wireless Transaction. We may use borrowings under the 364-day credit agreement for general corporate purposes. The 364-day revolving credit agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, this agreement requires us to maintain a leverage ratio (as defined in the agreement) not in excess of 3.50 to 1.00, until our credit ratings reach a certain level.

Long-Term Debt

Outstanding long-term debt obligations are as follows:

(dollars in millions)

At December 31,	Interest Rates %	Maturities	2013	2012
Verizon Communications—notes payable and other	0.50 – 3.85	2014 – 2042	$ 20,416	$ 11,198
	4.50 – 5.50	2015 – 2041	20,226	7,062
	5.55 – 6.90	2016 – 2043	31,965	11,031
	7.35 – 8.95	2018 – 2039	5,023	5,017
	Floating	2014 – 2016	5,500	1,000
Verizon Wireless—notes payable and other	8.50 – 8.88	2015 – 2018	3,931	8,635
Verizon Wireless—Alltel assumed notes	6.80 – 7.88	2016 – 2032	1,300	1,500
Telephone subsidiaries—debentures	5.13 – 6.86	2027 – 2033	1,075	2,045
	7.38 – 7.88	2022 – 2032	1,099	1,349
	8.00 – 8.75	2019 – 2031	880	880
Other subsidiaries—debentures and other	6.84 – 8.75	2018 – 2028	1,700	1,700
Capital lease obligations (average rate of 8.1% and 6.3% in 2013 and 2012, respectively)			293	298
Unamortized discount, net of premium			(264)	(228)
Total long-term debt, including current maturities			93,144	51,487
Less long-term debt maturing within one year			3,486	3,869
Total long-term debt			$ 89,658	$ 47,618

2013

During March 2013, we issued $0.5 billion aggregate principal amount of floating rate Notes due 2015 in a private placement resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The proceeds were used for the repayment of commercial paper.

During April 2013, $1.25 billion of 5.25% Verizon Communications Notes matured and were repaid. In addition, during June 2013, $0.5 billion of 4.375% Verizon Communications Notes matured and were repaid.

During September 2013, in connection with the Wireless Transaction, we issued $49.0 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $48.7 billion, net of discounts and issuance costs. The issuances consisted of the following: $2.25 billion aggregate principal amount of floating rate Notes due 2016 that bear interest at a rate equal to three-month LIBOR plus 1.53% which rate will be reset quarterly; $1.75 billion aggregate principal amount of *floating rate Notes due 2018 that bear interest at a rate equal to three-month LIBOR plus 1.75% which rate will be reset quarterly; $4.25 billion aggregate principal amount of 2.50% Notes due 2016; $4.75 billion aggregate principal amount of 3.65% Notes due 2018; $4.0 billion aggregate principal amount of 4.50% Notes due 2020; $11.0 billion aggregate principal amount of 5.15% Notes due 2023; $6.0 billion aggregate principal amount of 6.40% Notes due 2033 and $15.0 billion aggregate principal amount of 6.55% Notes due 2043 (collectively, the new notes). The proceeds of the new notes were used to finance, in part, the Wireless Transaction and to pay related fees and expenses. As a result of the issuance of the new notes, we incurred interest expense related to the Wireless Transaction of $0.7 billion during 2013.

In addition, during 2013 we utilized $0.2 billion under fixed rate vendor financing facilities.

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, €1.25 billion aggregate principal amount of 3.25% Notes due 2026 and £0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs. The net proceeds were used, in part, to finance the Wireless Transaction. Any net proceeds not used to finance the Wireless Transaction will be used for general corporate purposes. Also during February 2014, we issued $0.5 billion aggregate principal amount of 5.9% Retail Notes due 2054 resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The proceeds will be used for general corporate purposes.

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5.0 billion aggregate principal amount of floating rate notes. The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears beginning May 21, 2014 (see Note 2). The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%.

Term Loan Agreement

During October 2013, we entered into a term loan agreement with a group of major financial institutions pursuant to which we drew $6.6 billion to finance, in part, the Wireless Transaction and to pay transaction costs. Half of any loans under the term loan agreement have a maturity of three years and the other half have a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50 to 1.00, until our credit ratings reach a certain level.

Bridge Credit Agreement

During September 2013, we entered into a $61.0 billion bridge credit agreement with a group of major financial institutions. The credit agreement provided us with the ability to borrow up to $61.0 billion to finance, in part, the Wireless Transaction and to pay related transaction costs. Following the September 2013 issuance of notes, borrowing availability under the bridge credit agreement was reduced to $12.0 billion. Following the effectiveness of the term loan agreement in October 2013, the bridge credit agreement was terminated in accordance with its terms and, as such, the related fees of $0.2 billion were recognized in Other income and (expense), net during the fourth quarter of 2013.

2012

On November 2, 2012, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the outstanding $1.25 billion aggregate principal amount of 8.95% Verizon Communications Notes due 2039. In the Tender Offer that was completed November 9, 2012, $0.9 billion aggregate principal amount of the notes was purchased at a price of 136.5% of the principal amount of the notes (see "Early Debt Redemption and Other Costs") and $0.35 billion principal amount of the notes remained outstanding. Any accrued and unpaid interest on the principal purchased was paid to the date of purchase.

During November 2012, we issued $4.5 billion aggregate principal amount of fixed rate notes resulting in cash proceeds of approximately $4.47 billion net of discounts and issuance costs. The issuances consisted of the following: $1.0 billion of 0.70% Notes due 2015, $0.5 billion of 1.10% Notes due 2017, $1.75 billion of 2.45% Notes due 2022 and $1.25 billion of 3.85% Notes due 2042. During December 2012, the net proceeds were used to redeem: $0.7 billion of the $2.0 billion of 8.75% Notes due November 2018 at a redemption price of 140.2% of the principal amount of the notes (see "Early Debt Redemption and Other Costs"); $0.75 billion of 4.35% Notes due February 2013 at a redemption price of 100.7% of the principal amount of the notes and certain telephone subsidiary debt (see "Telephone and Other Subsidiary Debt"), as well as for the Tender Offer and other general corporate purposes. Any accrued and unpaid interest was paid to the date of redemption.

In addition, during 2012 we utilized $0.2 billion under fixed rate vendor financing facilities.

Verizon Wireless – Notes Payable and Other

Verizon Wireless Capital LLC, a wholly-owned subsidiary of Verizon Wireless, is a limited liability company formed under the laws of Delaware on December 7, 2001 as a special purpose finance subsidiary to facilitate the offering of debt securities of Verizon Wireless by acting as co-issuer. Other than the financing activities as a co-issuer of Verizon Wireless indebtedness, Verizon Wireless Capital LLC has no material assets, operations or revenues. Verizon Wireless is jointly and severally liable with Verizon Wireless Capital LLC for co-issued notes.

2013

During November 2013, $1.25 billion of 7.375% Verizon Wireless Notes and $0.2 billion of 6.50% Verizon Wireless Notes matured and were repaid. Also during November 2013, Verizon Wireless redeemed $3.5 billion of 5.55% Notes, due February 1, 2014 at a redemption price of 101% of the principal amount of the notes. Any accrued and unpaid interest was paid to the date of redemption.

2012

During February 2012, $0.8 billion of 5.25% Verizon Wireless Notes matured and were repaid. During July 2012, $0.8 billion of 7.0% Verizon Wireless Notes matured and were repaid.

Telephone and Other Subsidiary Debt

2013

During May 2013, $0.1 billion of 7.0% Verizon New York Inc. Debentures matured and were repaid. During June 2013, $0.1 billion of 7.0% Verizon New York Inc. Debentures matured and were repaid. In addition, during June 2013, we redeemed $0.25 billion of 7.15% Verizon Maryland LLC Debentures, due May 2023 at a redemption price of 100% of the principal amount of the debentures. During October 2013, $0.3 billion of 4.75% Verizon New England Inc. Debentures matured and were repaid. During November 2013, we redeemed $0.3 billion of 6.70% Verizon New York Inc. Debentures, due November 2023 at a redemption price of 100% of the principal amount of the debentures. During December 2013, we redeemed $0.2 billion of 7.0% Verizon New York Inc. Debentures, due December 2033 at a redemption price of 100% of the principal amount of the debentures and $20 million of 7.0% Verizon Delaware LLC Debentures, due December 2023 at a redemption price of 100% of the principal amount of the debentures. Any accrued and unpaid interest was paid to the date of redemption.

2012

During January 2012, $1.0 billion of 5.875% Verizon New Jersey Inc. Debentures matured and were repaid. During December 2012, we redeemed the $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 at a redemption price of 101.1% of the principal amount of the debentures. Any accrued and unpaid interest was paid to the date of redemption.

In addition, during 2012, various Telephone and Other Subsidiary Debentures totaling approximately $0.2 billion were repaid and any accrued and unpaid interest was paid to the date of payment.

Early Debt Redemption and Other Costs

During November 2012, we recorded debt redemption costs of $0.8 billion in connection with the purchase of $0.9 billion of the $1.25 billion of 8.95% Verizon Communications Notes due 2039 in a cash tender offer.

During December 2012, we recorded debt redemption costs of $0.3 billion in connection with the early redemption of $0.7 billion of the $2.0 billion of 8.75% Verizon Communications Notes due 2018, $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 and $0.75 billion of 4.35% Verizon Communications Notes due February 2013, as well as $0.3 billion of other costs.

Guarantees

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries. As of December 31, 2013, $3.1 billion principal amount of these obligations remain outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, including the operating telephone company no longer being a wholly-owned subsidiary of Verizon.

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of December 31, 2013, $1.7 billion principal amount of these obligations remain outstanding.

Debt Covenants

We and our consolidated subsidiaries are in compliance with all debt covenants.

Maturities of Long-Term Debt

Maturities of long-term debt outstanding at December 31, 2013 are as follows:

Years	(dollars in millions)
2014	$ 3,186
2015	2,740
2016	10,818
2017	1,335
2018	12,970
Thereafter	50,709

Fair Value Measurements and Financial Instruments

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

	(dollars in millions)			
	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total
Assets				
Cash and cash equivalents				
Fixed income securities	$ 9,190	$ –	$ –	$ 9,190
Short-term investments				
Equity securities	387	–	–	387
Fixed income securities	3	211	–	214
Other assets				
Forward interest rate swaps	–	76	–	76
Fixed income securities	–	875	–	875
Cross-currency swaps	–	166		166
Total	$ 9,580	$ 1,328	$ –	$ 10,908
Liabilities				
Other liabilities				
Interest rate swaps	$ –	$ 23	$ –	$ 23
Total	$ –	$ 23	$ –	$ 23

[1] quoted prices in active markets for identical assets or liabilities
[2] observable inputs other than quoted prices in active markets for identical assets and liabilities
[3] no observable pricing inputs in the market

Equity securities consist of investments in common stock of domestic and international corporations measured using quoted prices in active markets.

Fixed income securities consist primarily of investments in U.S. Treasuries as well as municipal bonds. We use quoted prices in active markets for our U.S. Treasury securities and therefore these securities are classified as Level 1. For all other fixed income securities that do not have quoted prices in active markets, we use alternative matrix pricing (selling in these debt securities being classified as Level 2.

Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified within Level 2. We use mid-market pricing for fair value measurements of our derivative instruments. Our derivative instruments are recorded on a gross basis.

We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the fair value hierarchy during 2013.

Fair Value of Short-term and Long-term Debt

The fair value of our debt is determined using various methods, including quoted prices for identical terms and maturities which is a Level 1 measurement as well as quoted prices for similar terms and maturities in inactive markets and future cash flows discounted at current rates which are Level 2 measurements. The fair value of our short-term and long-term debt, excluding capital leases, was as follows:

			(dollars in millions)	
At December 31	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short- and long-term debt, excluding capital leases	$ 93,298	$ 103,527	$ 51,689	$ 61,552

Derivative Instruments

Interest Rate Swaps

We have entered into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our consolidated balance sheets as assets and liabilities.

During 2012, interest rate swaps with a notional value of $5.8 billion were settled. As a result of the settlements, we received net proceeds of $0.7 billion, including accrued interest which is included in Other, net operating activities in the consolidated statement of cash flows. The fair value basis adjustment to the underlying debt instruments was recognized into earnings as a reduction of interest expense over the remaining lives of the underlying debt obligations. During the second quarter of 2013, interest rate swaps with a notional value of $1.25 billion matured and the impact to our consolidated financial statements was not material. During the third quarter of 2013, we entered into interest rate swaps with a total notional value of $1.8 billion. At December 31, 2013 and 2012, the fair value of these interest rate swaps was not material. At December 31, 2013, the total notional amount of these interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material at December 31, 2013.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes during the fourth quarter of 2013, we entered into forward interest rate swaps with a notional value of $2.0 billion. We designated these contracts as cash flow hedges. The fair value of these contracts was not material at December 31, 2013.

Cross-Currency Swaps

Verizon Wireless previously entered into cross-currency swaps designated as cash flow hedges to exchange approximately $1.6 billion of British Pound Sterling and Euro-denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses. A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations. The fair value of the outstanding swaps was not material at December 31, 2013 or December 31, 2012. During 2013 and 2012 the gains with respect to these swaps were not material.

During February 2014, we entered into cross-currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars as well as to mitigate the impact of foreign currency transaction gains or losses.

Concentrations of Credit Risk

Financial instruments that subject us to concentrations of credit risk consist primarily of temporary cash investments, short-term and long-term investments, trade receivables, certain notes receivable including lease receivables, and derivative contracts. Our policy is to deposit our temporary cash investments with major financial institutions. Counterparties to our derivative contracts are also major financial institutions with whom we have negotiated derivatives agreements (ISDA master agreement) and credit support annex agreements which provide rules for collateral exchange. We generally apply collateralized arrangements with our counterparties for uncleared derivatives to mitigate credit risk. We may enter into swaps on an uncollateralized basis in certain circumstances. While we may be exposed to credit losses due to the nonperformance of our counterparties, we consider the risk remote and do not expect the settlement of these transactions to have a material effect on our results of operations or financial condition.

Note 8

Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc. Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and other awards. The maximum number of shares available for awards from the Plan is 119.6 million shares.

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant. The RSUs are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting. The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period. Dividend equivalent units are also paid to participants at the time the RSU award is paid, and in the same proportion as the RSU award.

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant. As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle. The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting. The PSU award liability is measured at its fair value at the end of each reporting period and, therefore, will fluctuate based on the price of Verizon common stock as well as performance relative to the targets. Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award. The granted and cancelled activity for the PSU award includes adjustments for the performance goals achieved.

The following table summarizes Verizon's Restricted Stock Unit and Performance Stock Unit activity.

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding January 1, 2011	20,923	32,380
Granted	6,667	10,348
Payments	(7,600)	(12,137)
Cancelled/Forfeited	(154)	(2,977)
Outstanding December 31, 2011	19,836	27,614
Granted	6,350	20,537
Payments	(7,369)	(8,499)
Cancelled/Forfeited	(148)	(189)
Outstanding December 31, 2012	18,669	39,463
Granted	4,950	7,470
Payments	(7,246)	(22,703)
Cancelled/Forfeited	(180)	(506)
Outstanding December 31, 2013	16,193	23,724

As of December 31, 2013, unrecognized compensation expense related to the unvested portion of Verizon's RSUs and PSUs was approximately $0.4 billion and is expected to be recognized over approximately two years.

The RSUs granted in 2013 and 2012 have weighted-average grant date fair values of $47.96 and $38.67 per unit, respectively. During 2013, 2012 and 2011, we paid $1.1 billion, $0.6 billion and $0.7 billion, respectively, to settle RSUs and PSUs classified as liability awards.

Verizon Wireless' Long-Term Incentive Plan

The Verizon Wireless Long-Term Incentive Plan (the Wireless Plan) provides compensation opportunities to eligible employees of Verizon Wireless (the Partnership). Under the Wireless Plan, Value Appreciation Rights (VARs) were granted to eligible employees. As of December 31, 2013, all VARs were fully vested. We have not granted new VARs since 2004.

VARs reflect the change in the value of the Partnership, as defined in the Wireless Plan. Similar to stock options, the valuation is determined using a Black-Scholes model. Once VARs become vested, employees can exercise their VARs and receive a payment that is equal to the difference between the VAR price on the date of grant and the VAR price on the date of exercise, less applicable taxes. All outstanding VARs are fully exercisable and have a maximum term of 10 years. All VARs were granted at a price equal to the estimated fair value of the Partnership, as defined in the Wireless Plan, at the date of the grant.

The following table summarizes the assumptions used in the Black-Scholes model during 2013.

	End of Period
Risk-free rate	0.11%
Expected term (in years)	0.12
Expected volatility	43.27%

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of the measurement date. Expected volatility was based on a blend of the historical and implied volatility of publicly traded peer companies for a period equal to the VARs expected life, ending on the measurement date.

The following table summarizes the Value Appreciation Rights activity.

(shares in thousands)	VARs	Weighted-Average Grant-Date Fair Value
Outstanding rights, January 1, 2011	11,569	$ 13.11
Exercised	(3,303)	14.87
Cancelled/Forfeited	(52)	14.74
Outstanding rights, December 31, 2011	8,214	12.39
Exercised	(3,427)	10.30
Cancelled/Forfeited	(21)	11.10
Outstanding rights, December 31, 2012	4,766	13.89
Exercised	(1,916)	13.89
Cancelled/Forfeited	(3)	13.89
Outstanding rights, December 31, 2013	2,847	13.89

During 2013, 2012 and 2011, we paid $0.1 billion, respectively, to settle VARs classified as liability awards.

Stock-Based Compensation Expense

After-tax compensation expense for stock-based compensation related to RSUs, PSUs and VARs described above included in Net income attributable to Verizon was $0.4 billion, $0.7 billion and $0.5 billion for 2013, 2012 and 2011, respectively.

Stock Options

The Plan provides for grants of stock options to participants at an option price per share of not less than 100% of the fair market value of Verizon common stock on the date of grant. Each grant has a 10-year life, vesting equally over a three-year period starting at the date of the grant. We have not granted new stock options since 2004.

The following table summarizes Verizon's stock option activity.

(shares in thousands)	Stock Options	Weighted-Average Exercise Price
Outstanding, January 1, 2011	56,844	$ 44.25
Exercised	(7,104)	35.00
Cancelled/Forfeited	(21,921)	51.06
Outstanding, December 31, 2011	27,819	41.24
Exercised	(7,447)	35.20
Cancelled/Forfeited	(17,054)	45.15
Outstanding, December 31, 2012	3,318	34.69
Exercised	(2,253)	34.85
Cancelled/Forfeited	(82)	34.49
Outstanding, December 31, 2013	983	34.35

All stock options outstanding at December 31, 2013, 2012 and 2011 were exercisable.

The following table summarizes information about Verizon's stock options outstanding as of December 31, 2013.

Range of Exercise Prices	Stock Options (in thousands)	Weighted-Average Remaining Life (years)	Weighted-Average Exercise Price
$30.00-39.99	969	0.1	$ 34.18
40.00-49.99	14	0.1	46.31
Total	983	0.1	34.35

The total intrinsic value for stock options outstanding as of December 31, 2013 is not significant. The total intrinsic value of stock options exercised was not significant in 2013 and the associated tax benefits were not significant in 2013, 2012 and 2011. The amount of cash received from the exercise of stock options was $0.1 billion in 2013, $0.3 billion in 2012 and $0.2 billion in 2011. There was no stock option expense for 2013, 2012 and 2011.

Note 9

Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees. In addition, we maintain postretirement health care and life insurance plans for our retirees and their dependents, which are both contributory and non-contributory, and include a limit on our share of the cost for certain recent and future retirees. In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions including projected discount rates and an estimated return on plan assets. These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions. The adjustment is recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses.

Pension and Other Postretirement Benefits

Pension and other postretirement benefits for many of our employees are subject to collective bargaining agreements. Modifications in benefits have been bargained from time to time, and we may also periodically amend the benefits in the management plans. The following tables summarize benefit costs, as well as the benefit obligations, plan assets, funded status and rate assumptions associated with pension and postretirement health care and life insurance benefit plans.

Obligations and Funded Status

			(dollars in millions)	
	Pension		Health Care and Life	
At December 31,	2013	2012	2013	2012
Change in Benefit Obligations				
Beginning of year	$ 26,773	$ 30,582	$ 26,844	$ 27,369
Service cost	395	358	318	359
Interest cost	1,002	1,449	1,095	1,284
Plan amendments	(149)	183	(119)	(1,826)
Actuarial (gain) loss, net	(2,327)	6,074	(3,576)	1,402
Benefits paid	(1,777)	(2,735)	(1,520)	(1,744)
Curtailment and termination benefits	4	–	–	–
Annuity purchase	–	(8,352)	–	–
Settlements paid	(889)	(786)	–	–
End of year	$ 23,032	$ 26,773	$ 23,042	$ 26,844
Change in Plan Assets				
Beginning of year	$ 18,282	$ 24,110	$ 2,657	$ 2,628
Actual return on plan assets	1,388	2,326	556	312
Company contributions	107	3,719	1,360	1,461
Benefits paid	(1,777)	(2,735)	(1,520)	(1,744)
Settlements paid	(889)	(786)	–	–
Annuity purchase	–	(8,352)	–	–
End of year	$ 17,111	$ 18,282	$ 3,053	$ 2,657
Funded Status				
End of year	$ (5,921)	$ (8,491)	$ (19,989)	$ (24,187)

			(dollars in millions)	
	Pension		Health Care and Life	
At December 31,	2013	2012	2013	2012
Amounts recognized on the balance sheet				
Noncurrent assets	$ 339	$ 236	$ –	$ –
Current liabilities	(137)	(129)	(710)	(766)
Noncurrent liabilities	(6,123)	(8,598)	(19,279)	(23,421)
Total	$ (5,921)	$ (8,491)	$ (19,989)	$ (24,187)
Amounts recognized in Accumulated Other Comprehensive Income (Pre-tax)				
Prior Service Benefit (Cost)	$ 25	$ 181	$ (2,120)	$ (2,247)
Total	$ 25	$ 181	$ (2,120)	$ (2,247)

Beginning in 2013, as a result of federal health care reform, Verizon no longer files for the Retiree Drug Subsidy (RDS) and instead contracts with a Medicare Part D plan on a group basis to provide prescription drug benefits to Medicare eligible retirees.

During 2012, we reached agreements with the Communications Workers of America and the International Brotherhood of Electrical Workers on new, three-year contracts that cover approximately 43,000 Wireline employees. This resulted in the adoption of plan amendments which will result in lower other postretirement benefit costs in 2013 and beyond.

The accumulated benefit obligation for all defined benefit pension plans was $22.9 billion and $26.5 billion at December 31, 2013 and 2012, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets follows:

	(dollars in millions)	
At December 31	2013	2012
Projected benefit obligation	$ 22,610	$ 26,351
Accumulated benefit obligation	22,492	26,081
Fair value of plan assets	16,350	17,623

Net Periodic Cost

The following table summarizes the benefit (income) cost related to our pension and postretirement health care and life insurance plans:

						(dollars in millions)
	Pension			Health Care and Life		
Years Ended December 31,	2013	2012	2011	2013	2012	2011
Service cost	$ 395	$ 358	$ 307	$ 318	$ 359	$ 299
Amortization of prior service cost (credit)	6	(1)	72	(247)	(89)	(57)
Subtotal	401	357	379	71	270	242
Expected return on plan assets	(1,245)	(1,795)	(1,976)	(143)	(171)	(163)
Interest cost	1,002	1,449	1,590	1,095	1,284	1,421
Subtotal	158	11	(7)	1,023	1,383	1,500
Remeasurement (gain) loss, net	(2,470)	5,542	4,146	(3,989)	1,262	1,787
Net periodic benefit (income) cost	(2,312)	5,553	4,139	(2,966)	2,645	3,287
Curtailment and termination benefits	4	–	–	–	–	–
Total	$ (2,308)	$ 5,553	$ 4,139	$ (2,966)	$ 2,645	$ 3,287

Other pre-tax changes in plan assets and benefit obligations recognized in other comprehensive (income) loss are as follows:

			(dollars in millions)	
	Pension		Health Care and Life	
At December 31,	2013	2012	2013	2012
Prior service cost	$ (149)	$ 183	$ (119)	$ (1,826)
Reversal of amortization items				
Prior service cost	(6)	1	247	89
Total recognized in other comprehensive (income) loss (pre-tax)	$ (155)	$ 184	$ 128	$ (1,737)

The estimated prior service cost for the defined benefit pension plan that will be amortized from Accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year is not significant. The estimated prior service cost for the defined benefit postretirement plans that will be amortized from Accumulated other comprehensive income into net periodic benefit (income) cost over the next fiscal year is $0.3 billion.

Assumptions

The weighted-average assumptions used in determining benefit obligations follow:

	Pension		Health Care and Life	
At December 31,	2013	2012	2013	2012
Discount Rate	5.00%	4.20%	5.00%	4.20%
Rate of compensation increases	3.00	3.00	N/A	N/A

The weighted-average assumptions used in determining net periodic cost follow:

	Pension			Health Care and Life		
At December 31,	2013	2012	2011	2013	2012	2011
Discount Rate	4.20%	5.00%	5.75%	4.20%	5.00%	5.75%
Expected return on plan assets	7.50	7.50	8.00	5.60	7.00	6.00
Rate of compensation increases	3.00	3.00	3.00	N/A	N/A	N/A

In order to project the long-term target investment return for the total portfolio, estimates are prepared for the total return of each major asset class over the subsequent 10-year period. Those estimates are based on a combination of factors including the current market interest rates and valuation levels, consensus earnings expectations and historical long-term risk premiums. To determine the aggregate return for the pension trust, the projected return of each individual asset class is then weighted according to the allocation to that investment area in the trust's long-term asset allocation policy.

The assumed health care cost trend rates follow:

	Health Care and Life		
At December 31,	2013	2012	2011
Healthcare cost trend rate assumed for next year	6.50%	7.00%	7.50%
Rate to which cost trend rate gradually declines	4.75	5.00	5.00
Year the rate reaches the level it is assumed to remain thereafter	2020	2016	2016

A one-percentage point change in the assumed health care cost trend rate would have the following effects:

	(dollars in millions)	
One-Percentage Point	Increase	Decrease
Effect on 2013 service and interest cost	$ 184	$ (150)
Effect on postretirement benefit obligation as of December 31, 2013	2,539	(2,086)

Plan Assets

Historically, our portfolio strategy emphasized a long-term equity orientation, significant global diversification, and the use of both public and private investments. In an effort to reduce the risk of our portfolio strategy and better align assets with liabilities, we have shifted our strategy to one that is more liability driven, where cash flows from investments better match projected benefit payments, but result in lower asset returns. We intend to reduce the likelihood that assets will decline at a time when liabilities increase, (referred to as liability hedging), with the goal to reduce the risk of underfunding to the plan and its participants and beneficiaries. Both active and passive management approaches are used depending on perceived market efficiencies and various other factors. Our diversification and risk control processes serve to minimize the concentration of risk.

While target allocation percentages will vary over time, the company's overall investment strategy is to achieve a mix of assets which allows us to meet projected benefits payments while taking into consideration risk and return. The current target allocation for plan assets is designed so that 70% of the assets have the objective of achieving a return in excess of the growth in liabilities (comprised of public equities, private equities, real estate, hedge funds and emerging debt) and 30% of the assets are invested as liability hedging assets (typically longer duration fixed income). This allocation will shift as funded status improves to a higher allocation to liability hedging assets. Target policies will be revisited periodically to ensure they are in line with fund objectives. Due to our diversification and risk control processes, there are no significant concentrations of risk, in terms of sector, industry, geography or company names.

Pension and healthcare and life plans assets do not include significant amounts of Verizon common stock.

Pension Plans

The fair values for the pension plans by asset category at December 31, 2013 are as follows:

				(dollars in millions)
Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 968	$ 881	$ 87	$ –
Equity securities	4,200	3,300	900	–
Fixed income securities				
U.S. Treasuries and agencies	1,097	691	406	–
Corporate bonds	2,953	212	2,579	162
International bonds	364	51	313	–
Other	3	–	3	–
Real estate	1,784	–	–	1,784
Other				
Private equity	3,942	–	–	3,942
Hedge funds	1,800	–	604	1,196
Total	$ 17,111	$ 5,135	$ 4,892	$ 7,084

The fair values for the pension plans by asset category at December 31, 2012 are as follows:

				(dollars in millions)
Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,618	$ 1,586	$ 32	$ –
Equity securities	2,944	2,469	475	–
Fixed income securities				
U.S. Treasuries and agencies	1,589	1,125	464	–
Corporate bonds	2,456	35	2,225	196
International bonds	601	140	461	–
Other	210	–	210	–
Real estate	2,018	–	–	2,018
Other				
Private equity	5,039	–	–	5,039
Hedge funds	1,807	–	1,229	558
Total	$ 18,282	$ 5,355	$ 5,116	$ 7,811

The following is a reconciliation of the beginning and ending balance of pension plan assets that are measured at fair value using significant unobservable inputs

	Corporate Bonds	Real Estate	Private Equity	Hedge Funds	Total
					(dollars in millions)
Balance at January 1 2012	$ 189	$ 2,158	$ 6,055	$ 662	$ 9,064
Actual gain on plan assets	12	84	146	43	285
Purchases and sales	(14)	(224)	(1,162)	(147)	(1,547)
Transfers in	9	–	–	–	9
Balance at December 31, 2012	$ 196	$ 2,018	$ 5,039	$ 558	$ 7,811
Actual gain on plan assets	**12**	**81**	**674**	**84**	**851**
Purchases and sales	**(13)**	**(315)**	**(1,732)**	**(124)**	**(2,184)**
Transfers in (out)	**(33)**	**-**	**(39)**	**678**	**606**
Balance at December 31, 2013	**$ 162**	**$ 1,784**	**$ 3,942**	**$ 1,196**	**$ 7,084**

Health Care and Life Plans

The fair values for the other postretirement benefit plans by asset category at December 31, 2013 are as follows

Asset Category	Total	Level 1	Level 2	Level 3
				(dollars in millions)
Cash and cash equivalents	$ 237	$ 12	$ 225	$ –
Equity securities	2,178	1,324	854	–
Fixed income securities				
U S Treasuries and agencies	121	94	27	–
Corporate bonds	252	45	207	–
International bonds	104	18	86	–
Other	161	40	121	–
Total	$ 3,053	$ 1,533	$ 1,520	$ –

The fair values for the other postretirement benefit plans by asset category at December 31, 2012 are as follows

Asset Category	Total	Level 1	Level 2	Level 3
				(dollars in millions)
Cash and cash equivalents	$ 291	$ 13	$ 278	$ –
Equity securities	1,753	1,004	749	–
Fixed income securities				
U S Treasuries and agencies	118	80	38	–
Corporate bonds	192	11	181	–
International bonds	189	72	117	–
Other	114	–	114	–
Total	$ 2,657	$ 1,180	$ 1,477	$ –

The following are general descriptions of asset categories, as well as the valuation methodologies and inputs used to determine the fair value of each major category of assets

Cash and cash equivalents include short-term investment funds, primarily in diversified portfolios of investment grade money market instruments and are valued using quoted market prices or other valuation methods, and thus are classified within Level 1 or Level 2

Equity securities are investments in common stock of domestic and international corporations in a variety of industry sectors, and are valued primarily using quoted market prices or other valuation methods and thus are classified within Level 1 or Level 2

Fixed income securities include U S Treasuries and agencies, debt obligations of foreign governments and domestic and foreign corporations Fixed income also includes investments in collateralized mortgage obligations, mortgage backed securities and interest rate swaps The fair value of fixed income securities is based on observable prices for identical or comparable assets, adjusted using benchmark curves sector grouping, matrix pricing, broker/dealer quotes and issuer spreads, and thus is classified within Level 1 or Level 2

Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally The fair values of real estate assets are typically determined by using income and/or cost approaches or a comparable sales approach, taking into consideration discount and capitalization rates, financial conditions, local market conditions and the status of the capital markets, and thus are classified within Level 3

Private equity investments include those in limited partnerships that invest in operating companies that are not publicly traded on a stock exchange Investment strategies in private equity include leveraged buyouts, venture capital, distressed investments and investments in natural resources These investments are valued using inputs such as trading multiples of comparable public securities, merger and acquisition activity and pricing data from the most recent equity financing taking into consideration illiquidity , and thus are classified within Level 3

Hedge fund investments include those seeking to maximize absolute returns using a broad range of strategies to enhance returns and provide additional diversification The fair values of hedge funds are estimated using net asset value per share (NAV) of the investments Verizon has the ability to redeem these investments at NAV within the near term and thus are classified within Level 2 Investments that cannot be redeemed in the near term are classified within Level 3

Cash Flows

In 2013, contributions to our qualified pension plans were not material Also in 2013 we contributed $0 1 billion to our nonqualified pension plans and $1 4 billion to our other postretirement benefit plans We anticipate approximately $1 2 billion in contributions to our qualified pension plans, $0 2 billion to our nonqualified pension plans and $1 4 billion to our other postretirement benefit plans in 2014

Estimated Future Benefit Payments

The benefit payments to retirees are expected to be paid as follows

Year	Pension Benefits	Health Care and Life
		(dollars in millions)
2014	$ 2 980	$ 1,582
2015	2 280	1,574
2016	1,742	1,538
2017	1,666	1,506
2018	1 377	1,474
2019-2023	6,712	6,846

Savings Plan and Employee Stock Ownership Plans

We maintain four leveraged employee stock ownership plans (ESOP) Only one plan currently has unallocated shares We match a certain percentage of eligible employee contributions to the savings plans with shares of our common stock from this ESOP At December 31, 2013, the number of unallocated and allocated shares of common stock in this ESOP was 163 thousand and 62 million, respectively. All leveraged ESOP shares are included in earnings per share computations

Total savings plan costs were $1 0 billion in 2013 and $0.7 billion in 2012 and 2011, respectively

Pension Annuitization

On October 17 2012, we, along with our subsidiary Verizon Investment Management Corp , and Fiduciary Counselors Inc as independent fiduciary of the Verizon Management Pension Plan (the Plan), entered into a definitive purchase agreement with The Prudential Insurance Company of America (Prudential) and Prudential Financial, Inc , pursuant to which the Plan would purchase a single premium group annuity contract from Prudential

On December 10, 2012, upon issuance of the group annuity contract by Prudential, Prudential irrevocably assumed the obligation to make future annuity payments to approximately 41,000 Verizon management retirees who began receiving pension payments from the Plan prior to January 1 2010 The amount of each retiree's annuity payment equals the amount of such individual's pension benefit In addition, the group annuity contract is intended to replicate the same rights to future payments such as survivor benefits that are currently offered by the Plan

We contributed approximately $2 6 billion to the Plan between September 1 2012 and December 31, 2012 in connection with the transaction so that the Plan s funding percentage would not decrease as a result of the transaction

Severance Benefits

The following table provides an analysis of our actuarially determined severance liability recorded in accordance with the accounting standard regarding employers' accounting for postemployment benefits

Year	Beginning of Year	Charged to Expense	Payments	Other	End of Year
				(dollars in millions)	
2011	$ 1 569	$ 32	$ (474)	$ (14)	$ 1,113
2012	1 113	396	(531)	32	1,010
2013	**1,010**	**134**	**(381)**	**(6)**	**757**

Severance, Pension and Benefit (Credits) Charges

During 2013 we recorded net pre-tax severance pension and benefits credits of approximately $6 2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The credits were primarily driven by an increase in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4 2% at December 31, 2012 to a weighted-average of 5 0% at December 31 2013 ($4 3 billion) lower than assumed retiree medical costs and other assumption adjustments ($1 4 billion) and the difference between our estimated return on assets of 7 5% at December 31 2012 and our actual return on assets of 8 6% at December 31 2013 ($0 5 billion)

During 2012, we recorded net pre-tax severance, pension and benefits charges of approximately $7 2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from a weighted-average of 5% at December 31 2011 to a weighted-average of 4 2% at December 31 2012 ($5 3 billion) and revisions to the retirement assumptions for participants and other assumption adjustments partially offset by the difference between our estimated return on assets of 7 5% and our actual return on assets of 10% ($2 7 billion) As part of this charge, we also recorded $1 0 billion related to the annuitization of pension liabilities, as described above as well as severance charges of $0 4 billion primarily for approximately 4 000 management employees

During 2011, we recorded net pre-tax severance, pension and benefits charges of approximately $6 0 billion for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from 5 75% at December 31 2010 to 5% at December 31 2011 ($5 0 billion), the difference between our estimated return on assets of 8% and our actual return on assets of 5% ($0 9 billion), and revisions to the life expectancy of participants and other adjustments to assumptions

Notes

Taxes

The components of income before (provision) benefit for income taxes are as follows

Years Ended December 31,	2013	2012	2011
			(dollars in millions)
Domestic	$ 28,833	$ 9 316	$ 9,724
Foreign	444	581	759
Total	$ 29,277	$ 9,897	$ 10,483

The components of the provision (benefit) for income taxes are as follows

Years Ended December 31,	2013	2012	2011
			(dollars in millions)
Current			
Federal	$ (197)	$ 223	$ 193
Foreign	(59)	(45)	25
State and Local	201	114	290
Total	(55)	292	508
Deferred			
Federal	5,060	(559)	270
Foreign	8	10	(38)
State and Local	717	(403)	(455)
Total	5,785	(952)	(223)
Total income tax provision (benefit)	$ 5,730	$ (660)	$ 285

The following table shows the principal reasons for the difference between the effective income tax rate and the statutory federal income tax rate

Years Ended December 31,	2013	2012	2011
Statutory federal income tax rate	35 0%	35 0%	35 0%
State and local income tax rate net of federal tax benefits	2 1	(1 9)	(1 0)
Affordable housing credit	(0 6)	(1 9)	(1 8)
Employee benefits including ESOP dividend	(0 4)	(1 1)	(1 4)
Equity in earnings from unconsolidated businesses	(0.3)	(1 4)	(1 9)
Noncontrolling interests	(14.3)	(33 7)	(23 0)
Other net	(1 9)	(1 7)	(3 2)
Effective income tax rate	19 6%	(6 7)%	2 7%

The effective income tax rate for 2013 was 19 6% compared to (6 7)% for 2012 The increase in the effective income tax rate and provision for income taxes was primarily due to higher income before income taxes as a result of severance, pension and benefit credits recorded during 2013 compared to lower income before income taxes as a result of severance, pension and benefit charges as well as early debt redemption costs recorded during 2012

The effective income tax rate for 2012 was (6.7)% compared to 2.7% for 2011. The negative effective income tax rate for 2012 and the decrease in the provision for income taxes during 2012 compared to 2011 was primarily due to lower income before income taxes as a result of higher severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

The amounts of cash taxes paid are as follows:

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Income taxes, net of amounts refunded	$ 422	$ 351	$ 762
Employment taxes	1,282	1,308	1,328
Property and other taxes	2,082	1,727	1,883
Total	$ 3,786	$ 3,386	$ 3,973

Deferred taxes arise because of differences in the book and tax bases of certain assets and liabilities. Significant components of deferred tax assets and liabilities are as follows:

At December 31,	2013	2012
	(dollars in millions)	
Employee benefits	$ 10,242	$ 13,644
Tax loss and credit carry forwards	2,747	4,819
Uncollectible accounts receivable	213	206
Other - assets	959	1,050
	14,161	19,719
Valuation allowances	(1,596)	(2,041)
Deferred tax assets	12,565	17,678
Former MCI intercompany accounts receivable basis difference	1,121	1,275
Depreciation	14,030	13,953
Leasing activity	997	1,208
Wireless joint venture including wireless licenses	23,032	22,171
Other - liabilities	1,470	1,320
Deferred tax liabilities	40,650	39,927
Net deferred tax liability	$ 28,085	$ 22,249

At December 31, 2013, undistributed earnings of our foreign subsidiaries indefinitely invested outside the U.S. amounted to approximately $2.1 billion. The majority of Verizon's cash flow is generated from domestic operations and we are not dependent on foreign cash or earnings to meet our funding requirements, nor do we intend to repatriate these undistributed foreign earnings to fund U.S. operations. Furthermore, a portion of these undistributed earnings represent amounts that legally must be kept in reserve in accordance with certain foreign jurisdictional requirements and are unavailable for distribution or repatriation. As a result, we have not provided U.S. deferred taxes on these undistributed earnings because we intend that they will remain indefinitely reinvested outside of the U.S. and therefore unavailable for use in funding U.S. operations. Determination of the amount of unrecognized deferred taxes related to these undistributed earnings is not practicable.

At December 31, 2013, we had net after-tax loss and credit carry forwards for income tax purposes of approximately $2.7 billion. Of these net after-tax loss and credit carry forwards, approximately $2.1 billion will expire between 2014 and 2033 and approximately $0.6 billion may be carried forward indefinitely. The amount of net after-tax loss and credit carry forwards reflected as a deferred tax asset above has been reduced by approximately $0.1 billion at December 31, 2012 due to federal and state tax law limitations on utilization of net operating losses.

During 2013, the valuation allowance decreased approximately $0.4 billion. The balance of the valuation allowance at December 31, 2013 and the 2013 activity is primarily related to state and foreign tax losses and credit carry forwards.

Unrecognized Tax Benefits

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows:

	2013	2012	2011
		(dollars in millions)	
Balance at January 1,	$ 2,943	$ 3,078	$ 3,242
Additions based on tax positions related to the current year	116	131	111
Additions for tax positions of prior years	250	92	456
Reductions for tax positions of prior years	(801)	(415)	(644)
Settlements	(210)	100	(56)
Lapses of statutes of limitations	(168)	(43)	(31)
Balance at December 31,	$ 2,130	$ 2,943	$ 3,078

Included in the total unrecognized tax benefits at December 31, 2013, 2012 and 2011 is $1.4 billion, $2.1 billion and $2.2 billion respectively, that if recognized, would favorably affect the effective income tax rate.

We recognized the following net after-tax benefits related to interest and penalties in the provision for income taxes:

Years Ended December 31,	(dollars in millions)
2013	$ 33
2012	82
2011	60

The after-tax accruals for the payment of interest and penalties in the consolidated balance sheets are as follows:

At December 31	(dollars in millions)
2013	$ 274
2012	386

The decrease in unrecognized tax benefits was primarily due to the resolution of issues with the Internal Revenue Services (IRS) involving tax years 2004 through 2006, as well as the resolution of tax controversies in Canada and Italy.

Verizon and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state, local and foreign jurisdictions. As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions for various open tax years. The IRS is currently examining the Company's U.S. income tax returns for tax years 2007-2009 and Cellco Partnership's U.S. income tax returns for tax years 2010-2011. Significant tax examinations and litigation are ongoing in New York City for tax years as early as 2000. The amount of the liability for unrecognized tax benefits will change in the next twelve months due to the expiration of the statute of limitations in various jurisdictions and it is reasonably possible that various current tax examinations will conclude or require reevaluations of the Company's tax positions during this period. An estimate of the range of the possible change cannot be made until these tax matters are further developed or resolved.

Note 13

Segment Information

Reportable Segments

We have two reportable segments, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income, consistent with the chief operating decision maker's assessment of segment performance.

Corporate eliminations and other includes unallocated corporate expenses, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, pension and other employee benefit related costs, lease financing, as well as other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance.

The reconciliation of segment operating revenues and expenses to consolidated operating revenues and expenses below also includes those items of a non-recurring or non-operational nature. We exclude from segment results the effects of certain items that management does not consider in assessing segment performance primarily because of their non-recurring or non-operational nature.

We have adjusted prior period consolidated and segment information, where applicable, to conform to current year presentation.

Our segments and their principal activities consist of the following:

Segment	Description
Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales which are provided to consumer, business and government customers across the United States.
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

The following table provides operating financial information for our two reportable segments:

2013	Wireless	Wireline	Total Segments
			(dollars in millions)
External Operating Revenues			
Retail service	$ 66,282	$ –	$ 66,282
Other service	2,691	–	2,691
Service revenue	68,973	–	68,973
Equipment	8,096	–	8,096
Other	3,851	–	3,851
Consumer retail	–	14,737	14,737
Small business	–	2,587	2,587
Mass Markets	–	17,324	17,324
Strategic services	–	8,410	8,410
Core	–	6,267	6,267
Global Enterprise	–	14,677	14,677
Global Wholesale	–	5,703	5,703
Other	–	456	456
Intersegment revenues	103	1,063	1,166
Total operating revenues	81,023	39,223	120,246
Cost of services and sales	23,648	21,928	45,576
Selling, general and administrative expense	23,176	8,595	31,771
Depreciation and amortization expense	8,202	8,327	16,529
Total operating expenses	55,026	38,850	93,876
Operating income	$ 25,997	$ 373	$ 26,370
Assets	$ 146,429	$ 84,573	$ 231,002
Plant, property and equipment, net	35,932	51,885	87,817
Capital expenditures	9,425	6,229	15,654

(dollars in millions)

2012	Wireless	Wireline	Total Segments
External Operating Revenues			
Retail service	$ 61,383	$ –	$ 61,383
Other service	2,290	–	2,290
Service revenue	63,673	–	63,673
Equipment	8,010	–	8,010
Other	4,096	–	4,096
Consumer retail	–	14,043	14,043
Small business	–	2,648	2,648
Mass Markets	–	16,691	16,691
Strategic services	–	8,052	8,052
Core	–	7,240	7,240
Global Enterprise	–	15,292	15,292
Global Wholesale	–	6,177	6,177
Other		508	508
Intersegment revenues	89	1,112	1,201
Total operating revenues	75,868	39,780	115,648
Cost of services and sales	24,490	22,413	46,903
Selling, general and administrative expense	21,650	8,883	30,533
Depreciation and amortization expense	7,960	8,424	16,384
Total operating expenses	54,100	39,720	93,820
Operating income	$ 21,768	$ 60	$ 21,828
Assets	$ 142,485	$ 84,815	$ 227,300
Plant, property and equipment, net	34,545	52,911	87,456
Capital expenditures	8,857	6,342	15,199

(dollars in millions)

2011	Wireless	Wireline	Total Segments
External Operating Revenues			
Retail service	$ 56,601	$ –	$ 56,601
Other service	2,497	–	2,497
Service revenue	59,098	–	59,098
Equipment	7,446	–	7,446
Other	3,517	–	3,517
Consumer retail	–	13,605	13,605
Small business	–	2,720	2,720
Mass Markets	–	16,325	16,325
Strategic services	–	7,607	7,607
Core	–	8,014	8,014
Global Enterprise	–	15,621	15,621
Global Wholesale	–	6,795	6,795
Other	–	704	704
Intersegment revenues	93	1,237	1,330
Total operating revenues	70,154	40,682	110,836
Cost of services and sales	24,086	22,158	46,244
Selling, general and administrative expense	19,579	9,107	28,686
Depreciation and amortization expense	7,962	8,458	16,420
Total operating expenses	51,627	39,723	91,350
Operating income	$ 18,527	$ 959	$ 19,486
Assets	$ 147,378	$ 86,185	$ 233,563
Plant, property and equipment, net	33,451	54,149	87,600
Capital expenditures	8,973	6,399	15,372

Reconciliation to Consolidated Financial Information

A reconciliation of the segment operating revenues to consolidated operating revenues is as follows

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Operating Revenues			
Total reportable segments	**$ 120,246**	**$ 115,648**	**$ 110,836**
Reconciling items			
Corporate eliminations and other	304	198	39
Consolidated operating revenues	$ 120,550	$ 115,846	$ 110,875

A reconciliation of the total of the reportable segments' operating income to consolidated income before provision (benefit) for income taxes is as follows

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Operating Income			
Total segment operating income	$ 26,370	$ 21,828	$ 19,486
Severance, pension and benefit credits (charges) (Note 11)	6,232	(7,186)	(5,954)
Gain on spectrum license transaction (Note 2)	278	–	–
Litigation settlements (Note 16)	–	(385)	–
Other costs (Note 8)	–	(276)	–
Corporate eliminations and other	(912)	(822)	(652)
Consolidated operating income	31,968	13,160	12,880
Equity in earnings of unconsolidated businesses	142	324	444
Other income and (expense), net	(166)	(1,016)	(14)
Interest expense	(2,667)	(2,571)	(2,827)
Income Before (Provision) Benefit for Income Taxes	$ 29,277	$ 9,897	$ 10,483

A reconciliation of the total of the reportable segments' assets to consolidated assets is as follows

(dollars in millions)

At December 31,	2013	2012
Assets		
Total reportable segments	$ 231,002	$ 227,300
Corporate eliminations and other	43,096	(2,078)
Total consolidated	$ 274,098	$ 225,222

Corporate eliminations and other at December 31, 2013 is primarily comprised of cash and cash equivalents which were used to complete the Wireless Transaction on February 21, 2014.

We generally account for intersegment sales of products and services and asset transfers at current market prices. No single customer accounted for more than 10% of our total operating revenues during the years ended December 31, 2013, 2012 and 2011. International operating revenues and long-lived assets are not significant.

Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income. Significant changes in the components of Other comprehensive income, net of provision for income taxes are described below.

Accumulated Other Comprehensive Income

The changes in the balances of Accumulated other comprehensive income by component are as follows

(dollars in millions)	Foreign currency translation adjustments	Unrealized gain on cash flow hedges	Unrealized gain on marketable securities	Defined benefit pension and postretirement plans	Total
Balance at January 1, 2013	$ 793	$ 88	$ 101	$ 1,253	$ 2,235
Other comprehensive income	60	50	33	–	143
Amounts reclassified to net income	–	(25)	(17)	22	(20)
Net other comprehensive income	60	25	16	22	123
Balance at December 31, 2013	$ 853	$ 113	$ 117	$ 1,275	$ 2,358

The amounts presented above in net other comprehensive income are net of taxes and noncontrolling interests which are not significant. For the year ended December 31, 2013, the amounts reclassified to net income related to defined benefit pension and postretirement plans in the table above are included in Cost of services and sales and Selling, general and administrative expense on our consolidated statements of income. For the years ended December 31, 2013, all other amounts reclassified to net income in the table above are included in Other income, net on our consolidated statements of income.

Foreign Currency Translation Adjustments

The change in Foreign currency translation adjustments during 2013, 2012 and 2011 was primarily related to our investment in Vodafone Omnitel N.V. and was primarily driven by the movements of the U.S. dollar against the Euro.

Net Unrealized Gains (Losses) on Cash Flow Hedges

During 2013, 2012 and 2011, Unrealized gains (losses) on cash flow hedges included in Other comprehensive income (loss) attributable to noncontrolling interests primarily reflect activity related to a cross currency swap (see Note 9). Reclassification adjustments for gains (losses) realized in net income were not significant.

Net Unrealized Gains (Losses) on Marketable Securities

During 2013, 2012 and 2011, reclassification adjustments on marketable securities for gains (losses) realized in net income were not significant.

Defined Benefit Pension and Postretirement Plans

The change in Defined benefit pension and postretirement plans at December 31, 2013 was not significant.

The change in Defined benefit pension and postretirement plans of $6.9 billion, net of taxes of $0.6 billion at December 31, 2012 was primarily a result of plan amendments.

Additional Financial Information

The tables that follow provide additional financial information related to our consolidated financial statements

Income Statement Information

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Depreciation expense	$ 15,019	$ 14,920	$ 14,991
Interest costs on debt balances	3,421	2,977	3,269
Capitalized interest costs	(754)	(406)	(442)
Advertising expense	2,438	2,381	2,523

Balance Sheet Information

At December 31,	2013	2012
	(dollars in millions)	
Accounts Payable and Accrued Liabilities		
Accounts payable	$ 4,954	$ 4,454
Accrued expenses	3,954	4,529
Accrued vacation, salaries and wages	4,790	5,006
Interest payable	1,199	632
Taxes payable	1,556	1,561
	$ 16,453	$ 16,182
Other Current Liabilities		
Advance billings and customer deposits	$ 2,829	$ 3,554
Dividends payable	1,539	1,494
Other	2,296	1,357
	$ 6,664	$ 6,405

Cash Flow Information

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Cash Paid			
Interest, net of amounts capitalized	$ 2,122	$ 1,971	$ 2,629

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans including 24 6 million common shares issued from Treasury stock during 2012, related to dividend payments, which had an aggregate value of $1 0 billion

Commitments and Contingencies

In the ordinary course of business Verizon is involved in various commercial litigation and regulatory proceedings at the state and federal level Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Company establishes an accrual In none of the currently pending matters is the amount of accrual material An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings, including (1) uncertain damage theories and demands, (2) a less than complete factual record, (3) uncertainty concerning legal theories and their resolution by courts or regulators, and (4) the unpredictable nature of the opposing party and its demands We continuously monitor these proceedings as they develop and adjust any accrual or disclosure as needed. We do not expect that the ultimate resolution of any pending regulatory or legal matter in future periods including the Hicksville matter described below, will have a material effect on our financial condition, but it could have a material effect on our results of operations for a given reporting period

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Verizon is currently involved in approximately 50 federal district court actions alleging that Verizon is infringing various patents Most of these cases are brought by non-practicing entities and effectively seek only monetary damages, a small number are brought by companies that sell products and seek injunctive relief as well These cases have progressed to various degrees and a small number may go to trial in the coming 12 months if they are not otherwise resolved In the third quarter of 2012, we settled a number of patent litigation matters, including cases with ActiveVideo Networks Inc (ActiveVideo) and TiVo Inc (TiVo) In connection with the settlements with ActiveVideo and TiVo we recorded a charge of $0 4 billion in the third quarter of 2012 and will pay and recognize over the following six years an additional $0 2 billion

In connection with the execution of agreements for the sales of businesses and investments Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters such as ownership of the securities being sold, as well as indemnity from certain financial losses From time to time, counterparties may make claims under these provisions, and Verizon will seek to defend against those claims and resolve them in the ordinary course of business

Subsequent to the sale of Verizon Information Services Canada in 2004, we continue to provide a guarantee to publish directories, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions) The preexisting guarantee continues, without modification, despite the subsequent sale of Verizon Information Services Canada and the spin-off of our domestic print and Internet yellow pages directories business The possible financial impact of the guarantee, which is not expected to be adverse, cannot be reasonably estimated as a variety of the potential outcomes available under the guarantee result in costs and revenues or benefits that may offset each other We do not believe performance under the guarantee is likely

As of December 31, 2013 letters of credit totaling approximately $0 1 billion, which were executed in the normal course of business and support several financing arrangements and payment obligations to third parties, were outstanding

We have several commitments primarily to purchase handsets and peripherals, equipment software, programming and network services, and marketing activities, which will be used or sold in the ordinary course of business, from a variety of suppliers totaling $33 4 billion Of this total amount, $19 7 billion is attributable to 2014, $8 8 billion is attributable to 2015 through 2016, $4 1 billion is attributable to 2017 through 2018 and $0 8 billion is attributable to years thereafter These amounts do not represent our entire anticipated purchases in the future, but represent only those items that are the subject of contractual obligations Our commitments are generally determined based on the noncancelable quantities or termination amounts Purchases against our commitments for 2013 totaled approximately $16 billion Since the commitments to purchase programming services from television networks and broadcast stations have no minimum volume requirement, we estimated our obligation based on number of subscribers at December 31, 2013, and applicable rates stipulated in the contracts in effect at that time We also purchase products and services as needed with no firm commitment

Quarterly Financial Information (Unaudited)

(dollars in millions, except per share amounts)

Quarter Ended	Operating Revenues	Operating Income (Loss)	Net Income (Loss) attributable to Verizon [1] Amount	Per Share-Basic	Per Share-Diluted	Net Income (Loss)
2013						
March 31	$ 29,420	$ 6,222	$ 1,952	$ .68	$ .68	$ 4,855
June 30	29,786	6,555	2,246	.78	.78	5,198
September 30	30,279	7,128	2,232	.78	.78	5,578
December 31	31,065	12,063	5,067	1.77	1.76	7,916
2012						
March 31	$ 28,242	$ 5,195	$ 1,686	$ .59	$ .59	$ 3,906
June 30	28,552	5,651	1,825	.64	.64	4,285
September 30	29,007	5,483	1,593	.56	.56	4,292
December 31	30,045	(3,169)	(4,229)	(1.48)	(1.48)	(1,626)

- Results of operations for the second quarter of 2013 include after-tax credits attributable to Verizon of $0 1 billion related to a pension remeasurement
- Results of operations for the third quarter of 2013 include immaterial after-tax credits attributable to Verizon related to a gain on a spectrum license transaction as well as immaterial after-tax costs attributable to Verizon related to the Wireless Transaction
- Results of operations for the fourth quarter of 2013 include after-tax credits attributable to Verizon of $3 7 billion related to severance, pension and benefit credits, as well as after-tax costs attributable to Verizon of $0 5 billion related to the Wireless Transaction
- Results of operations for the third quarter of 2012 include after-tax charges attributable to Verizon of $0 2 billion related to legal settlements
- Results of operations for the fourth quarter of 2012 include after-tax charges attributable to Verizon of $5 3 billion related to severance pension and benefit charges and early debt redemption and other costs

[1] Net income (loss) attributable to Verizon per common share is computed independently for each quarter and the sum of the quarters may not equal the annual amount

EXHIBIT 21

Verizon Communications Inc. and Subsidiaries
Principal Subsidiaries of Registrant at December 31, 2013

Name	Jurisdiction of Organization
Verizon California Inc	California
Verizon Delaware LLC	Delaware
Verizon Florida LLC	Florida
Verizon Maryland LLC	Delaware
Verizon New England Inc	New York
Verizon New Jersey Inc	New Jersey
Verizon New York Inc	New York
Verizon Pennsylvania LLC	Delaware
GTE Southwest Incorporated (d/b/a Verizon Southwest)	Delaware
Verizon Virginia LLC	Virginia
Bell Atlantic Mobile Systems LLC	Delaware
Cellco Partnership (d/b/a Verizon Wireless)	Delaware
GTE Corporation	New York
GTE Wireless Incorporated	Delaware
MCI Communications Corporation	Delaware
Verizon Business Global LLC	Delaware
Cranberry Properties LLC	Delaware

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Verizon Communications Inc. (Verizon) of our reports dated February 27, 2014, with respect to the consolidated financial statements of Verizon and the effectiveness of internal control over financial reporting of Verizon, included in the 2013 Annual Report to Shareowners of Verizon

Our audits also included the financial statement schedule of Verizon listed in Item 15(a). This schedule is the responsibility of Verizon's management. Our responsibility is to express an opinion based on our audits. In our opinion, as to which the date is February 27, 2014, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein

We also consent to the incorporation by reference in the following registration statements of Verizon and where applicable related Prospectuses, of our reports dated February 27, 2014, with respect to the consolidated financial statements of Verizon and the effectiveness of internal control over financial reporting of Verizon, incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule of Verizon included in this Annual Report (Form 10-K) for the year ended December 31, 2013: Form S-4, No. 333-11573; Form S-8, No. 333-41593, Form S-8, No. 333-50146, Form S-4, No. 333-76171, Form S-8, No. 333-76171; Form S-8, No. 333-53830; Form S-8, No. 333-82690; Form S-4, No. 333-124005; Form S-8, No. 333-124008; Form S-4, No. 333-132651; Form S-8, No. 333-169267; Form S-8, No. 333-172501; Form S-8, No. 333-172999; Form S-3, No. 333-182749; Form S-3, No. 333-190954 and Form S-4, No. 333-191628

/s/ Ernst & Young LLP

Ernst & Young LLP
New York, New York

February 27, 2014

EXHIBIT 31.1

I, Lowell C. McAdam, certify that:

1. I have reviewed this annual report on Form 10-K of Verizon Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Francis J. Shammo, certify that:

1. I have reviewed this annual report on Form 10-K of Verizon Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell C. McAdam, Chairman and Chief Executive Officer of Verizon Communications Inc. (the Company), certify that:

(1) the report of the Company on Form 10-K for the annual period ending December 31, 2013 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: February 27, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Francis J. Shammo, Executive Vice President and Chief Financial Officer of Verizon Communications Inc. (the Company) certify that

(1) the report of the Company on Form 10-K for the annual period ending December 31, 2013 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: February 27, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99

Selected Corporate Governance and Executive Compensation Information included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014

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Business Conduct and Ethics

Verizon is committed to operating our business with the highest level of integrity, responsibility and accountability. We have adopted a Code of Conduct that applies to all employees, including the Chief Executive Officer (CEO), the Chief Financial Officer and the Controller. The Code of Conduct describes each employee's responsibility to conduct business with the highest ethical standards and provides guidance in preventing, reporting and remediating potential compliance violations in key areas. Directors are expected to act in compliance with the spirit of the Code of Conduct, as well as comply with the specific ethical provisions of the Corporate Governance Guidelines. We have posted the Code of Conduct on the Corporate Governance section of our website at www.verizon.com/investor. You can also obtain a copy by writing to the Assistant Corporate Secretary at the address given under "Contacting Verizon."

The Board is strongly predisposed against waiving any of the business conduct and ethics provisions applicable to Directors or executive officers. In the event of a waiver, we will promptly disclose the Board's action on our website.

Related Person Transaction Policy

The Board has adopted the Related Person Transaction Policy that is included in the Guidelines, which can be found in Appendix A. The Corporate Governance and Policy Committee reviews transactions involving Verizon and any of our Directors or executive officers or their immediate family members to determine if any of the individual participants has a material interest in the transaction. Based on the facts and circumstances of each case, the Committee may approve, disapprove, ratify or cancel the transaction or recommend another course of action. Any member of the Committee who is involved in a transaction under review cannot participate in the Committee's decision about that transaction.

From time to time Verizon may have employees who are related to our executive officers or Directors. Francis J. Shammo, Executive Vice President and Chief Financial Officer, has a brother-in-law who is employed by one of the Company's subsidiaries and earned approximately $358,000 in 2013. W. Robert Mudge, President – Consumer and

Mass Business Markets, has a brother who is employed by one of the Company's subsidiaries and earned approximately $126,000 in 2013. In each case, the amount of compensation was commensurate with that of other employees in similar positions.

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Independence

Verizon's Corporate Governance Guidelines require that a substantial majority of the members of the Board be independent Directors. The Guidelines establish standards for evaluating the independence of each Director. A Director is considered independent if the Board finds that the Director is independent under the NYSE's and Nasdaq's governance standards and the additional standards included in the Guidelines, which identify the types of relationships that, if material, would impair a Director's independence. The standards set monetary thresholds at which the Board would consider the relationships to be material. To determine that a Director is independent, the Board must find that a Director does not have any relationship that is likely to impair his or her ability to act independently. The Board makes this determination by evaluating the facts and circumstances for each Director.

The Corporate Governance and Policy Committee conducts an annual review of the independence of members of the Board and its Committees and reports its findings to the full Board. Based on the recommendation of the Corporate Governance and Policy Committee, the Board has determined that the 10 incumbent non-employee Directors who are standing for election are independent: Shellye Archambeau, Richard Carrion, Melanie Healey, M. Frances Keeth, Robert Lane, Donald Nicolaisen, Clarence Otis, Jr., Rodney Slater, Kathryn Tesija and Gregory Wasson. The Board also determined that Sandra Moose, Joseph Neubauer and Hugh Price, who are retiring from the Board in April 2014 and are not standing for re-election, are independent.

In determining the independence of Mr. Carrion, Ms. Healey, Mr. Neubauer, Mr. Otis, Mr. Price, Mr. Slater, Ms. Tesija and Mr. Wasson, the Board considered payments for telecommunications services and solutions that the companies that employ them made to Verizon. In determining Mr. Neubauer's independence, the Board also considered payments that Verizon made under a competitively bid contract for food and facility management services to the company that employs him. In determining Ms. Tesija's independence, the Board also considered payments that Verizon made to the company that employs her in connection with sales of Verizon's products and services in that company's stores. In determining Mr. Wasson's independence, the Board also considered payments for workers' compensation prescription benefits that Verizon made to the company that employs him. In applying the independence standards, the independent Directors have determined that these general business transactions and relationships are not material and do not impair the ability of those Directors to act independently.

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Audit Committee

Members Donald Nicolaisen, Chairperson
M. Frances Keeth
Sandra Moose
Clarence Otis, Jr.
Gregory Wasson

The Board has determined that each member of the Committee is an audit committee financial expert and meets the independence requirements of applicable laws, the NYSE, Nasdaq and the Guidelines

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SHELLYE L. ARCHAMBEAU

Ms. Archambeau, 51, is Chief Executive Officer of MetricStream, Inc., a leading provider of governance, risk, compliance and quality management solutions to corporations across diverse industries. Under her leadership, the privately-held MetricStream has grown 2,500% over the past ten years, with approximately 1,000 employees worldwide. Prior to joining MetricStream in 2002, Ms. Archambeau was Chief Marketing Officer and Executive Vice President of Sales for Loudcloud, Inc., a leader in Internet infrastructure services; Chief Marketing Officer of NorthPoint Communications; and President of Blockbuster Inc.'s e-commerce division. Before joining Blockbuster, she held domestic and international executive positions during a 15-year career at IBM.

Ms. Archambeau brings to the Board, among other skills and qualifications, leadership experience in technology, e-commerce, digital media and communications. An active participant in Silicon Valley's emerging company community, her in-depth knowledge of the technology sector and extensive background in the application of emerging technologies to address business challenges uniquely position her to advise the Board and senior management on implementing the Company's growth strategies. Ms. Archambeau's experience developing and marketing telecommunications and Internet services and solutions gives her insight into areas critical to Verizon's success.

Ms. Archambeau has served as a Director of Verizon since December 2013. In the past five years, she has served on the board of Arbitron, Inc.

RICHARD L. CARRIÓN

Mr. Carrión, 61, has served for over 18 years as Chairman, President and Chief Executive Officer of both Popular, Inc., a diversified bank holding company, and Banco Popular de Puerto Rico, Popular Inc.'s principal bank subsidiary. Popular, Inc. is the largest financial institution based in Puerto Rico, with consolidated assets of $36 billion, total deposits of $27 billion and 8,059 employees as of December 31, 2012. In addition to his experience guiding these companies, Mr. Carrión has been a class A director of the Federal Reserve Bank of New York since 2008. In that role, he contributes to the formulation of monetary policy, oversight of the bank's operational risk management and the review and appointment of senior management of the bank.

As a result of his tenure as Chairman, President and Chief Executive Officer of Popular, Inc. and Banco Popular de Puerto Rico, Mr. Carrion brings to the Board a strong operational and strategic background and extensive business, leadership and management experience. In addition, Mr. Carrión's knowledge of business and consumer services gives him insights into providing services to retail and business customers, activities that make up a significant portion of Verizon's business. Mr. Carrión's experience at the Federal Reserve Bank of New York also enables him to advise the Board and senior management on risk management, which is an important area for a large, complex organization like Verizon.

Mr. Carrion has served as a Director of Verizon since 1997 and was a director of NYNEX Corporation from 1995 to 1997. He is Chairperson of the Finance Committee and a member of the Corporate Governance and Policy Committee and the Human Resources Committee.

MELANIE L. HEALEY

Ms. Healey, 52, is Group President – North America and Global Hyper-Market, Super-Market and Mass Channel of The Procter & Gamble Company, a provider of branded consumer packaged goods to customers in over 180 countries around the world. In this role, Ms. Healey is responsible for the overall North America business, which in fiscal 2013 had net sales of $32.8 billion. Since joining Procter & Gamble in 1990, Ms. Healey has held positions of increasing responsibility including Group President, Global Feminine and Health Care, and President, Global Feminine Care & Adult Care.

Ms. Healey brings to the Board, among other skills and qualifications, an extensive background in consumer goods, marketing and international operations. Her experience in marketing, including more than 15 years outside the United States, uniquely positions Ms. Healey to advise the Board and senior management on critical issues facing Verizon, including corporate strategy with respect to brand management, the consumer experience and global growth. In addition, Ms. Healey's leadership experience at a complex international organization with a large, diverse workforce gives her a thorough understanding of the operational challenges facing Verizon.

Ms. Healey has served as a Director of Verizon since 2011 and is a member of the Human Resources Committee.

M. FRANCES KEETH

Ms Keeth, 67, was Executive Vice President of Royal Dutch Shell plc, an energy company, from 2005 to 2006 In this role, Ms Keeth was accountable for Shell's global chemicals businesses, which produced $36 3 billion in third party revenue in 2006 and operated in 35 countries From 2001 to 2005, she was also President and Chief Executive Officer of Shell Chemicals LP, Shell s U.S. operating company through which it conducted all of its operations in the United States During her 37-year career, Ms Keeth held multiple positions of increasing responsibility at Shell, including serving as Executive Vice President, Finance and Business Systems, and Executive Vice President, Customer Fulfillment and Product Business Units In addition, from 1996 to 1997, Ms Keeth was controller and principal accounting officer of Mobil Corporation

Ms Keeth's extensive senior leadership experience at Shell, a complex global business organization, positions her well to advise the Board and senior management on a wide range of strategic and financial matters Ms. Keeth brings to the Board, among other skills and qual fications, valuable business, leadership and operations management experience in a global, capital-intensive business As a result of this experience, she is able to provide insights into many aspects of our business, including business systems, public accounting and finance Ms Keeth also has extensive expertise in international operations and strategic partnerships, which assists the Company in implementing our growth strategies

Ms Keeth has served as a Director of Venzon since 2006 and is a member of the Audit Committee the Human Resources Committee, and the Finance Committee She is also a director of Arrow Electronics, Inc (since 2004) and, in the past five years, she has served as a director of Peabody Energy Corporation

ROBERT W. LANE

Mr Lane, 64, served as Chairman and Chief Executive Officer of Deere & Company from 2000 to 2009 Deere & Company is an equipment manufacturer that in fiscal 2009 had net sales and revenues of $23,1 billion and approximately 51,300 employees as of October 31, 2009 Dunng his 28 years at Deere, Mr Lane held positions of increasing responsibility across a wide variety of domestic and overseas units These positions included serving as President and Chief Operating Officer of the company, President of the Worldwide Agricultural Equipment Division, Chief Financial Officer of the company and President and Chief Operating Officer of Deere Credit, Inc

Mr. Lane's tenure as Chairman and Chief Executive Officer of Deere & Company and as a senior executive in several of its business units provides him with valuable business, leadership and management experience, including experience leading a large, complex organization with global operations. This background gives him a global perspective that positions him well to advise the Board and senior management on implementing the Company s growth strategies Mr Lane also brings to the Board an extensive background in manufacturing, marketing, operations and finance

Mr. Lane has served as a Director of Venzon since 2004 and is a member of the Finance Committee He is also a director of General Electric Company (since 2005) and Northern Trust Corporation (since 2009) and a member of the supervisory board of BMW AG (since 2009). In the past five years, Mr. Lane has served on the board of Deere & Company as its Chairman

CLARENCE OTIS, JR.

Mr. Otis, 57, has been Chairman of Darden Restaurants, Inc., a restaurant holding company, since 2005 and Chief Executive Officer since 2004 Darden Restaurants is the largest company-owned and operated full-service restaurant company in the world As of May 26, 2013 the company's 206,000 employees operated 2,138 restaurants in the United States and Canada and generated fiscal 2013 sales of $8 5 billion Mr Otis joined Darden in 1995 as Vice President and Treasurer and held positions of increasing responsibility including serving as Chief Financial Officer from 1999 until 2002, Executive Vice President from 2002 to 2004 and President of Smokey Bones Barbeque & Grill a restaurant concept formerly owned and operated by Darden Restaurants, from 2002 to 2004 In addition Mr Otis has served as a class B director of the Federal Reserve Bank of Atlanta since 2010 In that role, he contributes to the formulation of monetary policy, oversight of the bank s operational risk management and the review and appointment of senior management of the bank

Mr Otis brings to the Board among other skills and qualifications, a broad background in consumer services retail operations and finance, which are critical areas for Venzon He has extensive business, leadership and management experience Mr Otis leads a complex organization with a large, diverse workforce, which gives him a thorough understanding of many of the operational challenges Venzon faces In addition as a result of his experience at the Federal Reserve Bank of Atlanta Mr. Otis is positioned well to advise the Board and senior management on risk management, which is an important area for a large, complex organization like Venzon

Mr Otis has served as a Director of Venzon since 2006 and is a member of the Audit Committee, the Finance Committee and the Human Resources Committee He is also a director of VF Corporation (since 2004)

RODNEY E SLATER

Mr Slater, 59, is a partner at the law firm Patton Boggs LLP focusing his practice in the areas of transportation and infrastructure and public policy Prior to joining Patton Boggs, from February 1997 to January 2001 Mr Slater was the U S Secretary of Transportation In that position, Mr Slater was responsible for overseeing national transportation policy encouraging intermodal transportation negotiating international transportation agreements and assuring the fitness of U S airlines Prior to his appointment as Secretary of Transportation from 1993 to 1997, Mr Slater was the Administrator of the Federal Highway Administration which provides financial and technical support for constructing, improving and preserving the U S highway system

Mr Slater's experience as the U S Secretary of Transportation and as the Administrator of the Federal Highway Administration positions him well to provide oversight to our Company, which operates in a highly regulated industry and to advise the Board and senior management on logistics strategic partnerships, government relations and public policy Each of these areas is an important focus for Verizon and has a fundamental impact on the way the Company operates Mr Slater also brings to the Board his experience guiding clients in developing infrastructure, as well as insights on the role of law in our business

Mr Slater has served as a Director of Verizon since 2010 and is a member of the Corporate Governance and Policy Committee He is also a director of Kansas City Southern (since 2001), Transurban Group (since 2009) and Atkins plc (since 2011) In the past five years Mr Slater has served as a director of Delta Air Lines, Inc and ICx Technologies Inc

LOWELL C. MCADAM

Mr McAdam, 59, is Chairman and Chief Executive Officer of Venzon Communications Inc. Mr. McAdam became Chief Executive Officer on August 1, 2011 and Chairman on January 1, 2012. From October 2010 until becoming Chief Executive Officer, Mr. McAdam served as President and Chief Operating Officer and had responsibility for the operations of the Company's network-based businesses–Venzon Wireless and Venzon Telecom and Business–as well as Venzon's shared services operations Prior to assuming this role, Mr. McAdam held key executive positions at Venzon Wireless from its inception in 2000 and was instrumental in building Venzon Wireless into an industry-leading wireless provider He was President and Chief Executive Officer of Venzon Wireless from 2007 until 2010, and before that served as the company s Executive Vice President and Chief Operating Officer Before the formation of Venzon Wireless, Mr McAdam held executive positions with PrimeCo Personal Communications, a joint venture owned by Bell Atlantic and Vodafone AirTouch, AirTouch Communications and Pacific Bell

Mr McAdam brings to the Board a unique understanding of our strategies and operations through his broad experience in the telecommunications industry and his pivotal role in the development of Venzon Wireless Mr McAdam serves a key leadership role on the Board, providing the Board with an in-depth knowledge of the Company's business, industry, challenges and opportunities His extensive leadership experience enables Mr McAdam to play a key role in all matters involving our Board and positions him well to act not only as the Board's Chairman, but also as the principal intermediary between management and the independent members of our Board

Mr McAdam has served as a Director of Venzon since 2011 Mr McAdam has been a member of the Board of Representatives of Venzon Wireless since 2003 and has served as its Chairman since 2010

DONALD T. NICOLAISEN

Mr Nicolaisen, 69, was Chief Accountant of the U S. Securities and Exchange Commission from 2003 to 2005. In that role, Mr Nicolaisen was responsible for establishing and enforcing accounting and auditing policy applicable to all U S reporting companies and for improving the professional performance of public company auditors Prior to joining the SEC, he was a Partner in PricewaterhouseCoopers and its predecessors, which he joined in 1967. At PricewaterhouseCoopers, Mr. Nicolaisen served on the firm's global and international boards, led the firm's national office for accounting and SEC services from 1988 to 1994, led the firm's financial services practice, and was responsible for auditing and providing risk management advice to large complex multinational firms.

Mr Nicolaisen brings to the Board a range of experience in leadership positions in both the public and private sector His extensive experience as Chief Accountant at the SEC, an outside strategic advisor to multinational companies and a senior leader of one of the world's largest accounting firms enables him to advise the Board and senior management on accounting matters, government relations and public policy. Mr. Nicolaisen's unique financial and accounting background also provides financial expertise to the Board, including an in-depth understanding of risk management, corporate finance and accounting, as well as the numerous issues facing a public reporting company.

Mr. Nicolaisen has served as a Director of Venzon since 2005 and is Chairperson of the Audit Committee and a member of the Corporate Governance and Policy Committee. He is also a director of MGIC Investment Corporation (since 2006), Morgan Stanley (since 2006) and Zurich Insurance Group (since 2006).

KATHRYN A. TESIJA

Ms Tesija 51, is Executive Vice President, Merchandising and Supply Chain and a member of the Executive Committee of Target Corporation the second largest discount retailer in the United States with 1,782 stores revenues of $70 0 billion and approximately 365,000 employees in fiscal 2012 In this role, which she has held since 2008, Ms Tesija oversees all merchandising functions, including product design and development, sourcing, inventory management, merchandising systems, presentation and operations as well as the company's global supply chain Ms Tesija joined Target in 1986 and was appointed to numerous positions of increasing responsibility at the company, ranging from Director Merchandise Planning to Senior Vice President, Hardlines Merchandising.

As a result of her long tenure at Target Ms Tesija has gained broad business and leadership experience Along with her significant management skills, Ms Tesija brings to the Board an in-depth knowledge of the retail industry, expertise in leading the complex, large-scale global retail functions of merchandising and supply chain and significant insight into consumer behavior which give her a thorough understanding of many important issues facing Venzon Her extensive background positions Ms Tesija well to advise the Venzon Board and senior management on implementing the Company s strategies

Ms Tesija has served as a Director of Venzon since December 2012 and is a member of the Corporate Governance and Policy Committee

GREGORY D. WASSON

Mr Wasson, 55, is President and Chief Executive Officer of Walgreen Co., the nation's largest retail drugstore chain, which in fiscal 2013 had $72 2 bill on of net sales, 8,582 locations and 240,000 employees In June 2012, Walgreens announced a strategic partnership with Alliance Boots, the leading pharmacy-led health and beauty group across Europe with a presence in more than 25 countries Mr Wasson has served as President and Chief Executive Officer and as a member of the board of directors of Walgreens since 2009 A registered pharmacist, he joined the company in 1980 and was appointed to positions of increasing responsibility including President of Walgreens Health Initiatives in 2002, Senior Vice President of Walgreens in 2004, Executive Vice President of Walgreens in 2005 and President and Chief Operating Officer of Walgreens in 2007

As Chief Executive Officer of Walgreens, Mr Wasson has gained valuable operational and management experience at a complex organization with a large, diverse workforce and significant global operations which gives him a thorough understanding of the challenges facing Venzon in implementing our growth strategies Mr Wasson brings to the Board an in-depth knowledge of the retail industry and insight into the consumer experience In addition, his extensive background in the healthcare industry positions Mr Wasson well to advise the Board and senior management on an area of increasing importance to Verizon's evolving business strategy

Mr Wasson has served as a Director of Venzon since March 2013 and is a member of the Audit Committee and the Human Resources Committee

Ratification of Appointment of Independent Registered Public Accounting Firm

(Item 2 on Proxy Card)

The Audit Committee of the Board considered the performance and qualifications of Ernst & Young LLP, and has reappointed the independent registered public accounting firm to examine the financial statements of Verizon for the fiscal year 2014 and to examine the effectiveness of internal control over financial reporting Ernst & Young has been retained as Verizon's Independent Registered Public Accounting Firm since 2000.

Verizon paid the following fees to Ernst & Young for services rendered during fiscal years 2013 and 2012

	2013	2012
Audit fees	$ 24 6 million	$23 9 million
Audit-related fees	$ 4 6 million	$3 3 million
Tax fees	$4 0 million	$3 8 million
All other fees	$1 1 million	$0 7 million

Audit fees include the financial statement audit, the audit of the effectiveness of the Company's internal control over financial reporting required by the Sarbanes-Oxley Act of 2002, as well as financial statement audits required by statute for our foreign subsidiaries or by regulatory agencies in the United States Audit-related fees primarily include audits of other subsidiaries employee benefit plan audits, reviews of controls over services provided to customers, as well as other audit and due diligence procedures performed in connection with acquisitions or dispositions Tax fees primarily consist of federal, state, local and international tax planning and compliance All other fees primarily consist of support services to certain Verizon expatriate employees The Committee considered, in consultation with management and the independent registered public accounting firm, whether the provision of these services is compatible with maintaining the independence of Ernst & Young

The Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to perform audit services. In order to assure continuing auditor independence, the Committee periodically considers whether there should be a regular rotation of the independent registered public accounting firm The Committee ensures that the mandated rotation of the independent registered public accounting firm s personnel occurs routinely and is directly involved in the selection of Ernst & Young s lead engagement partner

The Committee has established policies and procedures regarding pre-approval of services provided by the independent registered public accounting firm and is responsible for the audit fee negotiations associated with the engagement of the independent registered public accounting firm At the beginning of the fiscal year, the Committee pre-approves the engagement of the independent registered public accounting firm to provide audit services based on fee estimates. The Committee also pre-approves proposed audit-related services, tax services and other permissible services, based on specified project and service details, fee estimates, and aggregate fee limits for each service category The Committee receives a report at each meeting on the status of services provided or to be provided by the independent registered public accounting firm and the related fees and all fees are approved

The affirmative vote of a majority of the shares cast at the annual meeting is required to ratify the reappointment of Ernst & Young for the 2014 fiscal year The Committee believes that the continued retention of Ernst & Young to serve as Verizon's independent registered public accounting firm is in the best interests of Verizon and its shareholders If this appointment is not ratified by the shareholders, the Committee will reconsider its decision.

One or more representatives of Ernst & Young will be at the 2014 Annual Meeting of Shareholders They will have an opportunity to make a statement and will be available to respond to appropriate questions

The Board of Directors recommends that you vote FOR ratification.

Compensation Committee Report

The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management Based on such review and discussions, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the Compensation Discussion and Analysis in this proxy statement and the Company's Annual Report on Form 10-K

Respectfully submitted,

Human Resources Committee

Joseph Neubauer, Chairperson
Richard Carrion
Melanie Healey
M Frances Keeth
Clarence Otis, Jr
Gregory Wasson

Dated February 25, 2014

Compensation Discussion and Analysis

The Human Resources Committee of the Board of Directors oversees the development and implementation of the total compensation program for Verizon s named executive officers Throughout this discussion and analysis of compensation, we refer to the Board of Directors as the Board and the Human Resources Committee as the Committee

For 2013, Verizon's named executive officers were

Lowell C McAdam	Chairman and Chief Executive Officer
Daniel S Mead	Executive Vice President and President and Chief Executive Officer – Verizon Wireless
Francis J Shammo	Executive Vice President and Chief Financial Officer
John G Stratton	Executive Vice President and President – Verizon Enterprise Solutions
Randal S Milch	Executive Vice President – Public Policy and General Counsel

Executive Summary

Verizon's strategy is to build on the strength of our network as a platform for future growth and innovation. To that end, in 2013 we focused on the growing areas of our business – mobility, broadband, video, cloud services and security We also passed a strategic milestone, entering into a transaction that would give us sole ownership of Verizon Wireless, which we expect to enable us to better leverage our assets and capabilities across our business going forward Under the leadership of our management team, our solid execution on our strategic initiatives and our disciplined focus on our financial objectives delivered strong results in 2013 These included:

Performance Metric 1	2013 Result	Change from 2012
Adjusted EPS	$2.84	26 8%
Total Revenue	$120.6B	4 1%
Free Cash Flow	$22 2B	45 1%
Return on Equity	23 6%	654 bps

1A reconciliation of non-GAAP measures to the most directly comparable GAAP measures can be found in Appendix C to this proxy statement.

As discussed in greater detail below, based on Verizon's strong financial performance in 2013 and total shareholder return over the past three years, the 2013 short-term incentive award was paid at 110% of its targeted level and the performance stock units granted in connection with the 2011-2013 long-term incentive award vested at the 100% level.

Summary of Executive Compensation Program and Practices

Our commitment to adopting industry-leading compensation and governance practices is reflected in the design of our compensation program Some of these elements include:

Pay-for-Performance

Approximately 90% of our named executive officers' annual total compensation opportunity is variable, at risk and incentive-based The primary components of our executive compensation program and their approximate percentage of the total compensation opportunity are as follows

- 90% variable, incentive-based pay – comprised of an annual cash incentive based on achievement of pre-established performance goals and a long-term incentive in the form of an equity-based award that vests after three years and is composed of PSUs and RSUs
- 10% fixed pay – annual cash base salary

In addition, the compensation program does not include other forms of fixed, non-performance related pay, such as guaranteed pension and supplemental retirement benefits

Benchmarking Total Compensation

The Committee benchmarks each executive's total compensation opportunity against a single peer group, referred to as the Related Dow Peers and described beginning on page 32 and in Appendix B The Committee references the 50 th percentile of the Related Dow Peers for total compensation opportunity, with further consideration given to the tenure and overall level of responsibility of a particular executive

Evaluation of Potential Linkage between Compensation and Risk Taking

When reviewing the compensation program and the performance metrics used under the program, the Committee considers the impact of the compensation program on the Company's risk profile The Committee believes that Verizon's compensation program has been structured to provide strong incentives for executives to appropriately balance risk and reward consistent with the Company's enterprise business risk management efforts

Shareholder Outreach Program

At the request of the Committee, management and the Committee's compensation consultant Pearl Meyer & Partners (the Consultant), engage in a semiannual shareholder outreach program with certain institutional investors to discuss the design and operation of Verizon's executive compensation program Management and the Consultant provide a report to the Committee on the results of that outreach. The Committee believes this program provides opportunities for shareholders to provide input on Verizon s executive compensation program and policies in addition to the annual say-on-pay vote

The Role of Shareholder Say-on-Pay Votes and Shareholder Outreach

The Company provides its shareholders with the opportunity to cast an annual advisory vote on executive compensation (say-on-pay) At the Company s Annual Meeting of Shareholders held in May 2013, approximately 89% of the votes cast on the say-on-pay proposal were voted in favor of the proposal The Committee considered this vote as demonstrating strong shareholder support for the Company's executive compensation programs

Based on the shareholders strong support for the Company s say-on-pay proposal in 2013 as well as in each of the preceding years that a say-on-pay vote has been held and the discussions with the Company's investors during the semiannual shareholder outreach program described above, the Company continued to apply the same effective principles and philosophies highlighted above and described more fully below that have been applied in prior years when making compensation decisions for 2013

Role of Benchmarking and Peer Group Selection

The Committee believes that it is appropriate to use the same peer group to benchmark executive pay opportunities and to evaluate Verizon s relative stock performance under its long-term incentive plan For this

purpose, the Committee uses a single peer group that includes the 29 companies (other than Verizon) in the Dow Jones Industrial Average, plus Verizon's four largest industry competitors that are not included in the Dow Jones Industrial Average This group is referred to as the Related Dow Peers. The Committee believes that this group of companies, comprised of similarly-sized companies based on market capitalization, net income, revenue and total employees that are included in an established and recognizable index, as well as Verizon's four other largest industry competitors, is appropriate for the dual purpose of benchmarking executive pay opportunities and evaluating relative stock performance under the long-term incentive plan because the companies in the Related Dow Peers represent Verizon's primary competitors for executive talent and investor dollars Moreover, this peer group is self-adjusting so that changes in the companies included in the Dow Jones Industrial Average are also reflected in the Related Dow Peers over time. For this reason, the Committee believes that the Related Dow Peers provides a consistent measure of Verizon's performance and makes it easier for shareholders to evaluate, monitor and understand Verizon's compensation program

To determine whether the compensation opportunities for executives are appropriate and competitive, the Committee compares each named executive officer's total compensation opportunity – which represents the aggregate total amount of the executive s base salary and target award amounts under the short-term and long-term incentive plans – to the total compensation opportunities for executives in comparable positions at peer companies. The Committee generally references the 50 th percentile of the Related Dow Peers for total compensation opportunity although the total compensation opportunity may be above or below the 50 th percentile depending upon the tenure and overall level of responsibility of a particular executive The Committee believes that this is an appropriate targeted level of total compensation opportunity because of Verizon s emphasis on performance-based incentive pay and Verizon's size relative to the Related Dow Peers Actual total compensation may fall above or below the targeted percentile based on annual and long-term performance results

Appendix B to this proxy statement includes a chart that lists the companies included in the Related Dow Peers for 2013 compensation purposes their market capitalization as of December 31, 2013, as reported by Bloomberg, and their net income attributable to the company, revenue and total number of employees, as of each company's most recent fiscal year-end as reported in SEC filings

Compensation Objectives and Elements of Compensation

Compensation Objectives

Verizon's compensation program is designed to

- Align executives' and shareholders' interests through the use of performance-based compensation, and
- Attract retain and motivate high-performing executives

To promote a performance-based culture that further links the interests of management and shareholders, the Committee has developed a compensation program that

- focuses extensively on variable performance-based compensation, with fixed compensation in the form of base salary constituting only approximately 10% of each executive's total compensation opportunity, and
- does not include such fixed compensation elements as guaranteed defined benefit pension and supplemental pension benefits

In establishing the mix of incentive pay used in the Company s pay-for-performance program, the Committee balances the importance of meeting the Company s short-term business goals with the need to create shareholder value over the longer term To help ensure that the interests of executives remain closely aligned with the interests of shareholders, target long-term compensation opportunities represent more than twice the target compensation opportunities related to short-term performance

Additionally, the Company s compensation program features three-year long-term incentive awards, including PSUs subject to both performance-based and time-based vesting requirements and, to encourage high-performing executives to remain with the Company RSUs that vest based on the executive's continued employment through the end of the three-year performance cycle

Elements of Compensation

In setting total compensation at competitive levels, the Committee determines the appropriate balance between

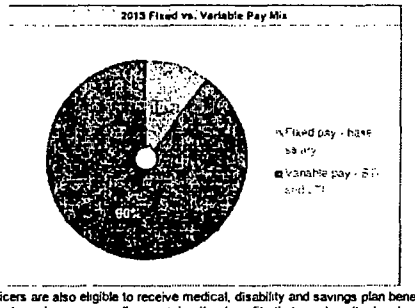
- Fixed and variable pay elements,
- Short- and long-term pay elements, and
- Cash and equity-based pay elements

The following table illustrates the principal elements of Verizon's executive compensation program

Pay Element	Characteristics	Primary Objective
Base salary	Annual fixed cash compensation	Attract and compensate high-performing and experienced executives
Short-term incentive opportunity (STI)	Annual variable cash compensation based on the achievement of annual performance measures	Incentivize executives to achieve challenging short-term performance goals
Long-term incentive opportunity (LTI)	Long-term variable equity awards granted annually as a combination of PSUs and RSUs	Align executives' interests with those of shareholders to grow long-term value and retain executives

As discussed above, the Committee references the 50 th percentile of the Related Dow Peers to benchmark the total compensation opportunity of each of our named executive officers. However, the Committee does not benchmark each element of a named executive officer's total compensation opportunity. Instead, consistent with the Committee's emphasis on a performance-based culture, the Committee has determined that a substantial majority of each named executive officer's total compensation opportunity should be variable and performance-based. Accordingly, the Committee determined in its business judgment to allocate approximately 10% of each executive's total compensation opportunity in the form of base salary, approximately 15% to 25% in the form of short-term incentive, and approximately 65% to 75% in the form of long-term incentive.

The following chart illustrates the approximate allocation of the named executive officers' total compensation opportunity for 2013 between elements that are variable, performance-based and fixed pay.



The named executive officers are also eligible to receive medical, disability and savings plan benefits that are generally provided to all management employees, as well as certain other benefits that are described under "Other Elements of the Total Compensation Program" beginning on page 40.

2013 Annual Base Salary

To determine an executive's base salary, the Committee, in consultation with the Consultant, reviews the competitive pay practices of the Related Dow Peers for comparable positions and considers the scope of the executive's responsibility and experience. In particular, the Committee focuses on how base salary levels may impact the market competitiveness of an executive's total compensation opportunity. The Committee also discusses its assessment of the other named executive officers with the CEO. Based on its assessment, the Committee approved a base salary increase in 2013 of 12.5% for Mr. Mead, 10.7% for Mr. Shammo, 7.4% for Mr. Stratton and 3.1% for Mr. Milch. The base salary levels of the named executive officers were adjusted with the goal of providing a total compensation opportunity that more closely approximates the 50 th percentile for comparable executives within the Related Dow Peers, with approximately 10% of each named executive officer's total compensation opportunity provided in the form of base salary. In 2013 the independent members of the Board approved an increase of 7.1% for Mr. McAdam. This is the first base salary increase that Mr. McAdam has received since 2010 when he was promoted to the position of President and Chief Operating Officer of Verizon.

2013 Short-Term Incentive Compensation

The Verizon Short-Term Incentive Plan, which is referred to as the Short-Term Plan, motivates executives to achieve challenging short-term performance goals. Each year, the Committee establishes the potential value of the opportunities under the Short-Term Plan, as well as the performance targets required to achieve these opportunities.

The Committee sets the values of the Short-Term Plan award opportunities as a percentage of an executive's base salary. The applicable percentage for each named executive officer is based on the scope of the executive's responsibilities and on the competitive pay practices of the Related Dow Peers. These award opportunities are established at threshold, target and maximum levels. The Short-Term Plan award opportunities at the threshold, target and maximum levels for each of the named executive officers are shown in the Grants of Plan-Based Awards table on page 46.

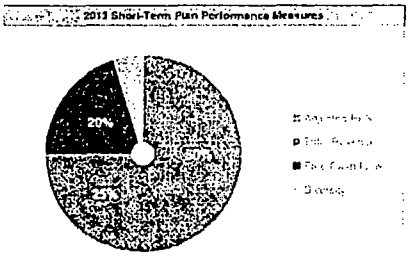
The following chart shows the 2013 Short-Term Plan target award opportunity for each of the named executive officers.

Named Executive Officer	2013 Short-Term Plan Target Award Opportunity ($)
Mr. McAdam	3,750,000
Mr. Mead	990,000
Mr. Shammo	852,500
Mr. Stratton	797,500
Mr. Milch	737,000

The 2013 target award opportunities for our named executive officers, expressed as a percentage of base salary, did not increase from the target levels established for their 2012 award opportunities. Whether, and the extent to which, the named executive officers earn the targeted Short-Term Plan award is determined based on whether Verizon achieves performance measures established by the Committee at the beginning of the year.

Determination of Annual Performance Measures

The Committee reviews and establishes the performance measures for the Short-Term Plan on an annual basis to help ensure that the program design appropriately motivates executives to achieve challenging financial and operational performance goals. In the first quarter of 2013, the Committee reviewed and approved the following annual financial and operating performance measures for all corporate executives, including the named executive officers, and ascribed to each the weighting shown below as the percentage of the total Short-Term Plan award opportunity at target level performance.



Consistent with 2012, the Committee based the Short-Term Plan award opportunities for all corporate executives, including the named executive officers, primarily on three Company-wide financial performance measures, as determined by specific goals for adjusted EPS, revenue and free cash flow. These three measures were selected to reflect the Company's strategic goals of encouraging profitable operations, overall growth in the Company and efficient use of capital. The Committee believes that these performance measures are appropriate to incentivize the Company's executives to achieve outstanding short-term results and, at the same time, help build long-term value for shareholders.

Adjusted EPS The Committee also views adjusted EPS as an important indicator of Verizon's success. The Committee assigns the greatest weight to adjusted EPS in determining awards under the Short-Term Plan, because it is broadly used and recognized by investors as a significant indicator of Verizon's ongoing operational performance and is a clearly defined indicator of the Company's profitability. Adjusted EPS excludes non-recurring and non-operational items including but not limited to impairments and gains and losses from discontinued operations, business combinations, changes in accounting principles, the net impact of pension and post-retirement benefit costs, extraordinary items and restructurings. As a result, adjusted EPS is not positively or negatively impacted from period to period by these types of items, so the Committee believes it better reflects the relative success of the Company's ongoing business.

Revenue The Committee also views achievement of consolidated total revenue goals as an important indicator of the Company's growth and success in managing its capital investments. This measure also reflects the level of penetration of Verizon's products and services in key markets.

Free Cash Flow The Committee views consolidated free cash flow as another important indicator of Verizon's success in delivering shareholder value, because investors often consider free cash flow as part of their equity valuation models. Free cash flow is determined by subtracting capital expenditures from cash flow from operations. The Committee believes that this type of cash flow measure is relevant for Verizon because Verizon's businesses require significant capital investment, and the level of free cash flow reflects how efficiently a business is managing its capital expenditures. Free cash flow also provides an indication of the amount of cash that the Company has available to return to shareholders in the form of dividends and to reduce its outstanding debt, both of which we consider to be important goals.

Diversity. **The Company is committed to promoting diversity among its employees and to recognizing and encouraging the contribution of diverse business partners to the Company's success. To reflect that important commitment, the 2013 performance measures also include a diversity measure. For 2013, the Committee determined that the diversity target would be measured for these purposes by the percentage of new hires and promotions at and above the manager level consisting of minority and female candidates and the levels of supplier spending at the corporate level with minority- and female-owned or operated firms.**

The value of the Short-Term Plan award opportunity with respect to each performance measure varies depending on the Committee's assessment of the Company's performance with respect to that measure. The Committee also has the discretion to modify awards based on other factors that it deems appropriate.

In addition, under the Short-Term Plan no awards may be paid if Verizon's return on equity for the plan year, calculated based on adjusted net income (ROE), does not exceed 8%, even if some or all of the other performance measures are achieved.

2013 Annual Performance Measures

The 2013 annual performance measures for all corporate executives, including the named executive officers, were:

- An adjusted EPS target range of $2.52 to $2.66,
- A consolidated total revenue target range of $121.4 billion to $122.0 billion,
- A consolidated free cash flow target range of $20.8 billion to $22.4 billion, and
- A diversity target of (i) having 50% of new hires and promotions at and above the manager level consist of minority and female candidates and (ii) directing at least 10% of the overall supplier spending at the corporate level to minority- and female-owned or operated firms.

2013 Company Results and Annual Performance Awards

In 2013, Verizon reported generally strong results. Verizon's 2013 results [1] included:

- ROE of 23.6%,
- Adjusted EPS of $2.84, which exceeded the target range,
- Consolidated total revenue of $120.6 billion, which was just below the target range,
- Consolidated free cash flow of $22.2 billion, which was within the target range, and
- Diversity in new hires and promotions above target performance and supplier spending above target performance.

After considering the level of performance with respect to each performance measure, and applying its business judgment based on its assessment of the level of achievement of each goal individually and collectively, the Committee and, for Mr. McAdam, the independent members of the Board, determine the final Short-Term Plan awards at a percentage of the target level for all participants. For 2013, the payout percentage was determined to be 110% of the target level for all corporate executives. The following table shows the amount of the Short-Term Plan awards paid to each named executive officer.

Named Executive Officer	Actual 2013 Short-Term Plan Award ($)
Mr. McAdam	4,125,000
Mr. Mead	1,089,000
Mr. Shammo	937,750
Mr. Stratton	877,250
Mr. Milch	810,700

[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures may be found in Appendix C to this proxy statement.

Long-Term Incentive Compensation

The Verizon Long-Term Incentive Plan, which is referred to as the Long-Term Plan, is intended to reward participants for the creation of long-term shareholder value over a three-year period and further link executives' interests to shareholders' interests. In considering the appropriate duration of the performance cycle under the Long-Term Plan, the Committee believes that it is important to establish a period that is longer than one year in order to meaningfully evaluate the performance of long-term strategies and the effect on value created for shareholders. Based on this consideration, the Committee determined that a three-year performance cycle for the Long-Term Plan awards was appropriate.

Consistent with the three prior award cycles, the 2013 PSUs are payable in cash and the 2013 RSUs are payable in Verizon shares. The Committee believes that paying PSUs in cash and RSUs in shares creates an appropriate balance between the potential shareholder dilution from paying awards in shares and cash flow considerations, and that both types of awards further align executives' interests with those of Verizon's shareholders as the ultimate values of the awards are based on the value of Verizon's common stock. In addition, paying the 2013 RSU awards in shares is consistent with Verizon's policy of requiring a significant level of equity ownership by our named executive officers.

The value of each PSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in PSUs. The dividend equivalents are only paid to the extent that PSUs are vested and earned. The Committee determines an executive's total compensation opportunity by assuming that he or she will earn 100% of the PSUs initially awarded in any performance cycle. However, the number of PSUs that are actually earned and paid is determined based on Verizon's achievement of the pre-established performance goals over the three-year performance cycle. The final value of each PSU is based on the closing price of Verizon's common stock on the last trading day of the year that the performance cycle ends. As a result, awarding PSUs provides a strong incentive to executives to deliver value to Verizon's shareholders.

On the date the long-term incentive is awarded, the Committee also establishes the number of RSUs that may be earned based on the executive's continued employment with the Company through the end of the three-year award cycle as reflected in the award agreement. The value of each RSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in RSUs. The dividend equivalents are only paid to the extent that the RSUs vest. The 2013 RSU awards are payable in shares at the end of the three-year award cycle and provide both a retention incentive and a performance incentive as the value of the award depends on Verizon's stock price. The Committee determines an executive's total compensation opportunity by assuming he or she will earn 100% of the RSUs awarded.

2013 Long-Term Plan Award Opportunities

Consistent with the 2012 awards, for 2013, each of the named executive officers received 60% of their 2013 Long-Term Plan award opportunity in the form of PSUs and 40% of their award opportunity in the form of RSUs. Two-thirds of the PSUs are eligible to vest based on Verizon's relative TSR performance and one-third is eligible to vest based on Verizon's cumulative free cash flow. This allocation reflects the Committee's focus on encouraging both outstanding relative TSR performance and free cash flow creation and the retention of the Company's highly-qualified executive team.

The Committee generally establishes an executive's Long-Term Plan target award opportunity as a percentage of the executive's base salary. The Long-Term Plan target award opportunity for each of the named executive officers in 2013 was 625% of base salary for Mr. McAdam, 525% of base salary for Messrs. Mead, Shammo and Stratton and 500% of base salary for Mr. Milch. The target award opportunities for the named executive officers increased over their 2012 target award opportunities solely as a result of their base salary increases identified above (*i.e.*, their target award opportunities, expressed as a percentage of their base salaries, did not change). The Committee determined that these award levels were appropriate so that each executive's target annual Long-Term Plan award opportunity would constitute a significant portion of the executive's benchmarked total compensation opportunity consistent with the objectives of the Company's pay-for-performance program. The target award opportunity for an executive is allocated between PSUs and RSUs as noted above, and the target award opportunity allocated to each type of award is converted into a target number of shares using the closing price of Verizon's common stock on the grant date.

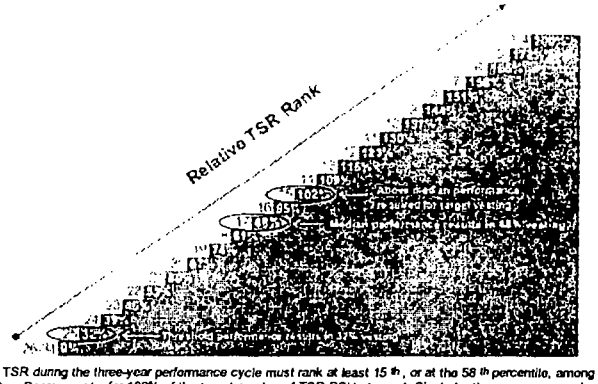
The following table shows the target value of the awards granted to the named executive officers during 2013 in connection with the annual long-term incentive compensation opportunity. Additional detail regarding the 2013 PSU awards, including the performance requirements, follows the table.

Named Executive Officer	2013 Long-Term Plan Target Award Opportunity ($)
Mr. McAdam	9,375,000
Mr. Mead	4,725,000
Mr. Shammo	4,068,750
Mr. Stratton	3,806,250
Mr. Milch	3,350,000

Terms of 2013 PSU Awards

Two-thirds of the number of PSUs awarded are eligible to vest based on Verizon's TSR as compared to the TSRs of the companies in the Related Dow Peers, as constituted on the grant date of the award, over the 2013-2015 performance cycle. One-third of the number of PSUs awarded is eligible to vest based on Verizon's cumulative free cash flow over the 2013-2015 performance cycle compared against the performance targets established by the Committee at the beginning of the performance cycle.

TSR Metric. With respect to PSUs that vest based on relative TSR performance (TSR PSUs), the following chart shows the percentage of the TSR PSUs awarded for the 2013-2015 performance cycle that will vest based on Verizon's relative TSR positioning compared with the companies in the Related Dow Peers.



Verizon's TSR during the three-year performance cycle must rank at least 15 th , or at the 58 th percentile, among the Related Dow Peers in order for 100% of the target number of TSR PSUs to vest. Similarly, the maximum number of TSR PSUs (200% of target) will vest only if Verizon's TSR during the three-year performance cycle ranks among the top four companies in the Related Dow Peers, which corresponds to the 91 st percentile or higher. If Verizon's TSR during the three-year performance cycle ranks below 25 th , or below approximately the 27 th percentile of the companies in the Related Dow Peers, none of the TSR PSUs will vest.

Free Cash Flow Metric. *The percentage of PSUs awarded for the 2013-2015 performance cycle that will vest based on Verizon's cumulative free cash flow (FCF) (referred to as FCF PSUs) will be determined based on the extent to which Verizon's cumulative FCF over the performance cycle meets or exceeds the cumulative FCF performance levels that were established by the Committee at the beginning of the performance cycle. FCF is determined by subtracting capital expenditures from cash flow from operations, and is subject to adjustment to eliminate the financial impact of significant transactions, changes in legal or regulatory policy and other extraordinary items.*

At the end of the performance cycle, the number of FCF PSUs that will vest, if any, will be determined by comparing the actual performance of the Company against the performance objectives. The cumulative FCF target for the 2013-2015 performance cycle was set at a level that the Committee believes may be challenging in light of the economic environment, but attainable. The number of FCF PSUs that will vest will range from 0% if performance is below the threshold cumulative FCF level and up to 200% for performance at or above the maximum cumulative FCF level. The number of FCF PSUs that will vest in between threshold and maximum performance levels will be determined by linear interpolation between vesting percentage levels.

2011 PSU Awards Earned in 2013

With respect to the PSUs awarded in 2011, the Committee determined the number of PSUs that vested for a participant based on Verizon's TSR for the 2011-2013 three-year performance cycle relative to the TSRs of the Related Dow Peers as constituted on the date the award was granted. The following table shows the percentage of PSUs awarded for the 2011-2013 performance cycle that could vest based on a range of Verizon's relative TSR positioning compared with the companies in the applicable Related Dow Peers.

Verizon's Relative TSR Ranking Among the Companies in the Related Dow Peers	Corresponding Relative TSR Percentile Ranking Among the Companies in the Related Dow Peers	Percentage of Awarded PSUs that will Vest
1 – 4	91 st to 100 th	200%
5 – 8	79 th to 88 th	175%
9 – 12	67 th to 76 th	150%
13 – 16	55 th to 64 th	100%
17 – 21	39 th to 52 nd	75%
22 – 25	27 th to 36 th	50%
26 – 34	0 to 24 th	0%

Over the three-year performance cycle ending on December 31, 2013, Verizon's TSR ranked 13 th , or at the 64 th percentile, when compared to the Related Dow Peers. As a result of this achievement, in early 2014 the Committee approved a payment to all participants, including the named executive officers, of 100% of the number of PSUs awarded for the 2011-2013 performance cycle, plus dividend equivalents credited on those PSUs that vested pursuant to the terms of the award. As a result, even though the Company achieved performance at the 64 th percentile of the Related Dow Peers, the named executive officers only received the target number of PSUs granted, plus dividend equivalents.

Other Elements of the Total Compensation Program

The Company also provides the named executive officers with certain limited personal benefits as generally described below. None of the named executive officers is eligible for any tax gross-up payment in connection with any of these benefits, including with respect to the excise tax liability under Internal Revenue Code Section 4999 related to any Section 280G excess parachute payments.

Transportation

The Company provides certain aircraft and ground transportation benefits to enhance the safety and security of certain named executive officers. These transportation benefits, even when classified as a perquisite under applicable SEC rules, also serve business purposes as they frequently enhance the ability of the executive to attend to business matters while in transit. Additional information on Company-provided transportation is included in footnote 4 to the Summary Compensation Table on page 45.

Executive Life Insurance

The Company offers the named executive officers and other executives the opportunity to participate in an executive life insurance program in lieu of participation in the Company's basic and supplemental life insurance programs The executives who elect to participate in the executive life insurance program own the life insurance policy, and the Company provides an annual cash payment to the executives to defray a portion of the annual premiums. Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45

Financial Planning

The Company provides a voluntary Company-sponsored financial planning benefit program for the named executive officers and other executives Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45

Retirement Benefits

In 2006, the Committee determined that guaranteed pay in the form of pension and supplemental executive retirement benefits was not consistent with the Company's pay-for-performance culture Accordingly, effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and supplemental defined benefit retirement plans These legacy retirement benefits that were previously provided to Verizon's named executive officers are described in more detail under the section titled "Pension Plans" beginning on page 48

During 2013, all of Verizon's named executive officers were eligible to participate in the Company's tax-qualified and nonqualified retirement savings plans These plans are described in the section titled "Defined Contribution Savings Plans" beginning on page 50

Severance and Change in Control Benefits

The Committee believes that maintaining a competitive level of separation benefits is appropriate as part of an overall program designed to attract, retain and motivate the highest quality management team However, the Committee does not believe that named executive officers should be entitled to receive cash severance benefits merely because a change in control transaction occurs Therefore, the payment of cash severance benefits is triggered only by an actual or constructive termination of employment.

The Company was not a party to an employment agreement with any of the named executive officers in 2013 All senior managers of the Company (including each of the named executive officers other than Mr McAdam) are eligible to participate in the Verizon Senior Manager Severance Plan, which provides certain separation benefits to participants whose employment is involuntarily terminated without cause from the Company Mr. McAdam is not eligible to participate in the Senior Manager Severance Plan and is not eligible for cash severance benefits upon a termination

The Senior Manager Severance Plan is generally consistent with the terms and conditions of Verizon's broad-based severance plan that is provided to substantially all of Verizon's management employees other than senior managers Under the Senior Manager Severance Plan, if a participant has been involuntarily terminated without cause or, in the case of a named executive officer, if the independent members of the Board determine that there has been a qualifying separation , the participant is eligible to receive a lump-sum cash separation payment equal to a multiple of his or her base salary and target short-term incentive opportunity, along with continuing medical coverage for the applicable severance period. To the extent that a senior manager is eligible for severance benefits under any other arrangement, that person will not be eligible for any duplicative benefits under the severance plan. The plan does not provide for any severance benefits based upon a change in control of the Company

Under the plan, the named executive officers (other than Mr. McAdam) are eligible to receive a cash separation payment based on a formula equal to two times the sum of their base salary and target short-term incentive opportunity Other senior manager participants are eligible to receive a cash separation payment based on a formula equal to between 0 75 and two times their base salary and target short-term incentive opportunity depending on their position at the time of their separation from employment. In order to be eligible for any severance benefits, participants must execute a release satisfactory to Verizon and agree not to compete or interfere with any Verizon business for a period of one year after their separation from employment.

Consistent with the Committee's belief that named executive officers should not be entitled to receive cash severance benefits merely because a change in control transaction occurs, the Long-Term Plan does not allow "single trigger" accelerated vesting and payment of outstanding awards in connection with a change in control of Verizon. Under the Long-Term Plan, if, in the twelve months following a change in control the participant's employment is terminated without cause, all then-unvested PSUs will fully vest at the target level performance, all then-unvested RSUs will fully vest and PSUs and RSUs (including accrued dividend equivalents) will become payable on the regularly scheduled payment date after the end of the applicable award cycle

Selected Compensation Policies

Stock Ownership Guidelines

To further align the interests of Verizon's management with those of its shareholders, the Committee has approved guidelines that require each named executive officer and other executives to maintain certain stock ownership levels

- The guidelines require the CEO to maintain share ownership equal to at least seven times his base salary and require the other named executive officers to maintain share ownership equal to at least four times their base salaries
- Executives are also prohibited from short-selling or engaging in any financial activity where they would benefit from a decline in Verizon's stock price.

In determining whether an executive meets the required ownership level, the calculation includes any shares held by the executive directly or through a broker, shares held through the Verizon tax-qualified savings plan or the Verizon nonqualified savings plan and other deferred compensation plans and arrangements that are valued by reference to Verizon's stock The calculation does not include any unvested PSUs or RSUs Each of the named executive officers is in compliance with the stock ownership guidelines None of the named executive officers has engaged in any pledging transaction with respect to shares of Verizon's stock

Recovery of Incentive Payments

The Committee believes that it is appropriate that the Company's compensation plans and agreements provide for the termination or repayment of certain incentive awards and payments if an executive engages in certain fraudulent or other inappropriate conduct Accordingly, the Committee has adopted a policy that enables the Company to claw back and cancel certain incentive payments received by an executive who has engaged in financial misconduct. The Committee reviews this policy from time to time and will refine the current policy to take into account changes in applicable law, including, for example, any changes that may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

Shareholder Approval of Certain Severance Arrangements

The Committee has a policy of seeking shareholder approval or ratification of any new employment agreement or severance agreement with an executive officer that provides for a total cash value severance payment exceeding 2 99 times the sum of the executive's base salary plus Short-Term Plan incentive target opportunity. The policy defines severance pay broadly to include payments for any consulting services, payments to secure a non-compete agreement, payments to settle any litigation or claim payments to offset tax liabilities, payments or benefits that are not generally available to similarly-situated management employees and payments in excess of, or outside, the terms of a Company plan or policy

Tax and Accounting Considerations

Federal income tax law generally prohibits publicly-held companies from deducting compensation paid to a named executive officer (other than a chief financial officer) that exceeds $1 million during the tax year unless it is based upon attaining pre-established performance measures that are set by the Committee pursuant to a plan approved by the Company's shareholders. The Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of the Company and its shareholders including determining when to request shareholder approval of the Verizon incentive plans and when to award compensation that may not qualify for a tax deduction. The Committee considered the desirability of tax deductibility for performance-based executive compensation In determining to submit the Long-Term Plan to the shareholders for approval in 2013 Compensation paid to the named executive officers under the Short-Term Plan, as well as the PSUs

awarded under the Long-Term Plan, are generally intended to meet the performance-based exception for deductibility under the tax laws

The Committee also considers the effect of certain accounting rules that apply to the various aspects of the compensation program available to the named executive officers. The Committee reviews potential accounting effects in determining whether its compensation actions are in the best interests of the Company and its shareholders. The Committee has been advised by management that the impact of the variable accounting treatment required for long-term incentive awards that are payable in cash (as opposed to fixed accounting treatment for awards that are payable in shares) will depend on future stock performance

Committee Actions Taken After Fiscal Year 2013

On February 6, 2014, the Committee recommended, and the Board of Directors approved, compensation adjustments for Mr. McAdam, and the Committee approved compensation adjustments for Messrs. Mead, Shammo, Stratton and Milch In making these decisions, the Committee, and in the case of Mr. McAdam the Board, noted that the changes reflect Verizon's commitment to emphasizing performance-based incentive pay and compensating its executive officers at levels commensurate with Verizon's position in the market For 2014, Mr. McAdam's target annual long-term incentive opportunity, expressed as a percentage of base salary was increased from 625% to 750%, and the target annual short-term incentive opportunity for each of the named executive officers other than Mr. McAdam, expressed as a percentage of base salary, was increased from 110% to 150%. The base salaries of each of the named executive officers were increased as follows for Mr. McAdam, 6 7%, for Mr. Mead, 5 6%, for Mr. Shammo, 6 5%, for Mr. Stratton, 10 3%, and for Mr. Milch 8 2% The base salary adjustments are effective March 2, 2014 No change was made to Mr. McAdam's target annual short-term incentive opportunity and no change was made to the target annual long-term incentive opportunities for any of the named executive officers other than Mr. McAdam

Compensation Tables

Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards [1] ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation [2] ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($) (h)	All Other Compensation [4] ($) (i)	Total ($) (j)
Lowell C. McAdam	2013	1 480 769	0	9 375 077	0	4 125 000	64,886	780 874	15 826 606
Chairman and CEO	2012	1 400 000	0	8 750 055	0	3,150 000	213 468	535 577	14 049 100
	2011	1 400 000	0	18 759 099 5	0	2 962 100	127 181	480 719	23 120 499 5
Daniel S. Mead Executive Vice President and President and CFO – Verizon Wireless	2013	882 769	0	4 725 020	0	1 089 000	199 644	288 634	7 187 067
	2012	794 231	0	4,208 026	0	792 000	388,096	225 253	6 399,606
	2011	725 000	0	3 606 258	0	734 063	175 217	220 103	5 660 641
Francis J. Shammo Executive Vice President and CFO	2013	760 577	0	4,068 783	0	937 750	10 475	163 476	5 941 061
	2012	698 077	0	3 675 003	0	692 000	9 004	139 841	5 214 925
	2011	675 000	0	3 543 775	0	683 438	4 495	144 351	5 051 063
John G. Stratton Executive Vice President and President – Verizon Enterprise Solutions	2013	715 385	0	3 806 297	0	877 250	37 178	139 433	5 575 493
	2012	673 558	0	3 543 796	0	668 250	31 776	143 629	5 061,009
Randal S. Milch Executive Vice President – Public Policy and General Counsel	2013	666 154	0	3 350 006	0	810 700	73 527	129 710	5 030 097
	2012	648 077	0	3 250 020	0	643 500	58,366	125 849	4,725 912
	2011	621 154	0	3 125 042	0	632 813	61 182	126 026	4 566 217

[1] The amounts in this column reflect the grant date fair value of the PSUs and RSUs computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date The grant date fair value of PSUs granted to the named executive officers in the designated year as part of Verizon's annual long-term incentive award program and in the case of Mr. McAdam, the special PSU award granted in 2011 in connection with his appointment to CEO has been determined based on the vesting of 100% of the nominal PSUs awarded which is the performance threshold the Company believed was most likely to be achieved under the grants on the grant date The following table reflects the grant date fair value of these PSUs, as well as the maximum grant date fair value of these awards based on the closing price of Verizon's common stock on the grant date if, due to the Company's performance during the applicable performance cycle, the PSUs vested at their maximum level

	Grant Date Fair Value of PSUs				Maximum Value of PSUs			
Name	2011 ($)	2011 Special Award ($)	2012 ($)	2013 ($)	2011 ($)	2011 Special Award ($)	2012 ($)	2013 ($)
Mr. McAdam	5 250 034	7 000 031	5 250 033	5 625 047	10 500 068	14 000 062	10 500 066	11 250 074
Mr. Mead	2 267 755	NA	2 520 008	2 835 012	4 567 510	NA	5 040 016	5 670 024
Mr. Shammo	2 126 256	NA	2 205 007	2 441 260	4 252 530	NA	4 410 004	4 882 520
Mr. Stratton	NA	NA	2 126 278	2 283 759	NA	NA	4 252 540	4 567 518
Mr. Milch	1 675 025	NA	1 950 012	2 010 004	3 750 050	NA	3 900 024	4 020 008

[2] The amounts in this column for 2013 reflect the 2013 Short-Term Plan award paid to the named executive officers in February 2014 as described on pages 34-37

[3] The amounts in this column for 2013 reflect the above-market earnings on amounts held in nonqualified deferred compensation plans Messrs. Shammo and Stratton are not eligible for pension benefits For Messrs. McAdam, Mead and Milch for 2013 there was a reduction in pension value of $233,803 $48,231 and $13 162, respectively based on the applicable calculation formula In accordance with SEC rules because the aggregate change in the actuarial present value of the accumulated benefit under the defined benefit plans was a negative number for 2013 the amounts shown in this column for 2013 for Messrs. McAdam, Mead and Milch reflect above-market earnings only Verizon's defined benefit plans were frozen as of June 30, 2006, and Verizon stopped all future benefit accruals under these plans as of that date. All accruals under the Verizon Wireless pension plan were frozen as of December 31, 2006

The following table provides the detail for 2013 compensation reported in the "All Other Compensation" column

Name	Personal Use of Company Aircraft [a] ($)	Personal Use of Company Vehicle [b] ($)	Company Contributions to the Qualified Savings Plan ($)	Company Contributions to the Nonqualified Deferral Plan ($)	Company Contributions to the Life Insurance Benefit [c] ($)	Other [d] ($)	All Other Compensation Total ($)
Mr McAdam	120,304	4,293	19,050	315,233	168,253	153,741	780,874
Mr Mead	0	0	19,050	104,741	144,444	18,899	286,634
Mr Shammo	14,462	0	14,712	92,637	31,665	10,000	163,476
Mr Stratton	0	0	19,050	83,184	27,199	10,000	139,433
Mr Milch	0	0	19,050	78,742	21,918	10,000	129,710

[a] The aggregate incremental cost of the personal use of a Company aircraft is determined by multiplying the total 2013 personal flight hours by the incremental aircraft cost per hour. The incremental aircraft cost per hour is derived by adding the annual aircraft maintenance costs, fuel costs, aircraft trip expenses and crew trip expenses, and then dividing by the total annual flight hours

[b] The aggregate incremental cost of the personal use of a Company vehicle is determined by (i) calculating the incremental vehicle cost per mile by dividing the annual lease and fuel costs by the total annual miles; (ii) multiplying the total 2013 personal miles by the incremental vehicle cost per mile and (iii) adding the incremental driver cost (the 2013 driver hours for personal use multiplied by the driver's hourly rate)

[c] Executive life insurance is available to executives on a voluntary basis. Executives who choose to participate in this program are excluded from the basic and supplemental life insurance programs that Verizon provides to management employees. The executive owns the insurance policy and is responsible for paying the premiums. However, Verizon pays each executive an amount, which is shown in this column, that is equal to a portion of the premium. Executives who choose not to participate in the executive life insurance plan do not receive that payment. For all named executive officers the executive life insurance policy provides a death benefit equal to two times the sum of the executive's base salary plus his short-term incentive opportunity at 67% of target level if the executive dies before a designated date. For Messrs. McAdam, Mead, Shammo and Stratton, this date is the latest of the participant's retirement date, the date on which the participant reaches age 60 or the fifth anniversary of plan participation. For Mr. Milch, this date is the earlier of five years post-retirement or the date on which he reaches age 65.

[d] This column represents the total amount of other perquisites and personal benefits provided. These other benefits consist of: (i) for Mr. McAdam, non-recurring expenses for home security; (ii) for Mr. Mead, financial planning services and personal travel; and (iii) for Messrs. Shammo, Stratton and Milch, financial planning services. The Company provides each of the named executive officers who elect to participate in the financial planning program with a financial planning benefit equal to the Company's payment for the services, up to $10,000. The aggregate incremental cost of personal travel for Mr. Mead is equal to the direct expense related to his spouse's attendance at a business event at the request of the Company. These expenses include lodging, ground transportation, meals and other travel-related items.

[5] As described in footnote 1, this amount includes the grant date fair value of the special equity award granted to Mr. McAdam in 2011 in connection with his appointment to CEO, with 70% of the award opportunity in the form of PSUs and 30% in the form of RSUs, which may become payable after the completion of the five-year performance cycle ending July 31, 2016, provided that Mr. McAdam remains continuously employed, subject to the terms of the award agreements. The number of PSUs that will vest at the end of the five-year performance cycle will be determined based on Verizon's average annual ROE during the performance cycle, and to the extent the performance criteria is achieved, the final award will include dividend equivalents that accrue on the vested portion of the award. No PSUs will vest unless Verizon's average annual ROE meets the minimum threshold of 10%. If Verizon's average annual ROE meets the target percentage of 15%, 100% of the nominal number of the PSUs granted will vest. A maximum of two times the nominal number of PSUs granted will vest if Verizon's average annual ROE is at least 20%. If Verizon's average annual ROE during the five-year performance cycle is greater than 10% but less than 15%, or is greater than 15% but less than 20%, the Committee will determine the extent to which the PSUs will vest, provided that the vested percentage must be between 50% and 100% and between 100% and 200%, respectively. The award will be settled in shares of Verizon common stock, and Mr. McAdam will be required to hold any shares he receives for at least two years following the vesting date unless he dies or becomes disabled.

Plan-Based Awards

The following table provides information about the 2013 awards granted under the Short-Term Plan and the Long-Term Plan to each named executive officer.

Grants of Plan-Based Awards

Name (a)	Type of Award [1]	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards [2] Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Estimated Future Payouts Under Equity Incentive Plan Awards [3] Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards Number of Shares of Stock or Units [4] (#) (i)	All Other Option Awards Number of Securities Underlying Options (#) (j)	Exercise or Base Price of Option Awards ($/Sh) (k)	Grant Date Fair Value of Stock and Option Awards [5] ($) (l)
Mr McAdam	STIP	—	1 875 000	3 750 000	5 625 000							
	PSU	3/8/2013				37 532	117 286	234 572				5 625 037
	RSU	3/8/2013							78 191			3 750 040
Mr Mead	STIP	—	495 000	990 000	1 485 000							
	PSU	3/8/2013				18 916	59 112	118 224				2 835 012
	RSU	3/8/2013							39 408			1 890 008
Mr Shammo	STIP	—	426 250	852 500	1,278 750							
	PSU	3/8/2013				16 269	50 902	101 804				2 441 280
	RSU	3/8/2013							33 935			1 627 523
Mr Stratton	STIP	—	398 750	797 500	1 196 250							
	PSU	3/8/2013				15 238	47,618	95,236				2,283 759
	RSU	3/8/2013							31,746			1,522 538
Mr Milch	STIP	—	368 500	737,000	1 105 500							
	PSU	3/8/2013				13 411	41 910	83 820				2 010 004
	RSU	3/8/2013							27 940			1 340 002

[1] These awards are described in the Compensation Discussion and Analysis on pages 34-39

[2] The actual amount awarded in 2013 was paid in February 2014 and is shown in column (g) of the Summary Compensation Table on page 44

[3] These columns reflect the potential payout range of PSU awards granted in 2013 to our named executive officers in accordance with the Company's annual long-term incentive award program, as described on pages 38-40. At the *conclusion of the three-year performance cycle, payouts can range from 0% to 200% of the target number of units* awarded based on Verizon's relative TSR position as compared with the Related Dow Peers and Verizon's cumulative free cash flow over the three-year performance cycle as described in more detail on pages 38-40. PSUs and the applicable dividend equivalents are paid only and to the extent that the applicable performance criteria for the award are achieved at the end of the award cycle. When dividends are distributed to shareholders, dividend equivalents are credited on the PSU awards in an amount equal to the dollar amount of dividends on the total number of PSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date

[4] This column reflects the RSU awards granted in 2013 to the named executive officers in accordance with the Company's annual long-term incentive award program. When dividends are distributed to shareholders, dividend equivalents are credited on the RSU awards in an amount equal to the dollar amount of dividends on the total number of RSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date

[5] This column reflects the grant date fair value of each equity award computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date. For PSUs, the grant date fair value has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believes is the most likely to be achieved under the grants.

Outstanding Equity Awards at Fiscal Year-End

Name (a)	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Awards: Equity Incentive Plan Awards Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Awards: Option Exercise Price ($) (e)	Option Awards: Option Expiration Date (f)	Stock Awards: Number of Shares or Units of Stock That Have Not Vested [1] (#) (g)	Stock Awards: Market Value of Shares or Units of Stock That Have Not Vested [2] ($) (h)	Stock Awards: Equity Incentive Plan Awards Number of Unearned Shares, Units or Other Rights That Have Not Vested [3] (#) (i)	Stock Awards: Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested [4] ($) (j)	Grant Date
Mr McAdam	0	0	0	0	0	92 739	4 557 194	432 778	21 266 750	8/1/2011
						97 711	4 801 519	1 174 414	57 703 704	3/2/2012
						80 510	3 954 176	94 313	4 634 541	3/8/2013
Mr Mead	0	0	0	0	0	46 902	2 304 764	82 719	4 113 959	3/2/2012
						40 627	1 996 431	47 534	2 335 801	3/8/2013
Mr Shammo	0	0	0	0	0	41 038	2 016 607	73 754	3 598 707	3/2/2012
						34 585	1 699 161	40 932	2 011 348	3/8/2013
Mr Stratton	0	0	0	0	0	39 573	1 944 677	70 678	3 471 153	3/2/2012
						32 728	1 608 294	38 201	1 876 620	3/8/2013
Mr Milch	0	0	0	0	0	36 059	1 763 498	65 782	3 217 377	3/2/2012
						28 894	1 419 429	33 781	1 659 657	3/8/2013

[1] The annual 2012 and 2013 RSU awards vest on December 31, 2014 and December 31, 2015, respectively. Mr. McAdam's 2011 special RSU award vests on July 31, 2016. RSUs accrue quarterly dividends that are reinvested into the participant's account as additional RSUs and will be included in the final RSU payment if the awards vest. This column includes dividend equivalent units that have accrued through December 31, 2013

[2] This column represents the value of the RSU awards listed in column (g) based on a share price of $49.14, the closing price of Verizon's common stock on December 31, 2013

[3] The annual 2012 and 2013 PSU awards vest on December 31, 2014 and December 31, 2015, respectively. Mr. McAdam's 2011 special PSU award vests on July 31, 2016. PSUs accrue quarterly dividends that are reinvested into the participant's account as additional PSUs. PSUs and the applicable dividend equivalents are paid if and to the extent that the applicable PSU award vests. As required by SEC rules, the number of units in this column represents the 2012 PSU awards at a 119% vesting percentage, the 2013 PSU awards at a 78% vesting percentage, and Mr. McAdam's 2011 special PSU Award at a 200% vesting percentage, in each case including accrued dividend equivalents through December 31, 2013 that will be paid to the executives if the awards vest at the indicated levels

[4] This column represents the value of the PSU awards listed in column (i) based on a share price of $49.14, the closing price of Verizon's common stock on December 31, 2013

Value Realized from Stock Options and Certain Stock-Based Awards

The following table reports the value realized from the vesting of the following stock-based awards for the named executive officers:

- 2011 PSUs that vested on December 31, 2013; and
- 2011 RSUs that vested on December 31, 2013.

The following table also reports the number of partnership value appreciation rights ("VARs") Mr. McAdam exercised in 2013, which were granted to Mr. McAdam on March 31, 2004, by Verizon Wireless, his employer on that date. Mr. McAdam exercised his VARs in December 2013 in connection with the impending expiration date of the 10 year term of the award and the expiration of the VAR program on March 31, 2014.

In 2014, based on the Company's relative TSR as compared with the Related Dow Peers, the Committee approved a vested percentage of 100% of the target number of PSU awards granted for the 2011-2013 performance cycle for all participants, including the named executive officers. The values of the 2011 PSU awards upon vesting for Mr. McAdam, Mr. Mead, Mr. Shammo, Mr. Stratton and Mr. Milch were $8,165,769, $3,552,093, $3,307,139, $2,792,689 and $2,916,366, respectively, and the value of the 2011 RSUs upon vesting for Mr. McAdam, Mr. Mead, Mr. Shammo, Mr. Stratton and Mr. Milch were $5,443,827, $2,368,062, $2,204,759, $1,866,497 and $1,944,244, respectively.

Option Exercises and Stock Vested

Name (a)	Option Awards: Number of Shares Acquired on Exercise [1] (#) (b)	Option Awards: Value Realized on Exercise [1] ($) (c)	Stock Awards: Number of Shares Acquired on Vesting [2] (#) (d)	Stock Awards: Value Realized on Vesting [2, 3] ($) (e)
Mr. McAdam	420,863	20,820,093	276,956	13,609,596
Mr Mead	0	0	120,475	5,920,155
Mr Shammo	0	0	112,167	5,511,898
Mr Stratton	0	0	94 957	4,666,186
Mr Milch	0	0	98 914	4 860 610

[1] The option awards listed for Mr. McAdam represent VARs granted on March 31, 2004, by Verizon Wireless, his employer on that date. The value realized on exercise represents the difference between $63.36, the value of the corresponding Verizon Wireless partnership rights on the date the rights were exercised, and $13.89, the exercise price for such rights. The value of the Verizon Wireless partnership rights was determined by an independent third party valuation in November 2013, in accordance with the terms of the VARs and consistent with past practice

[2] The amounts include dividend equivalents that were credited on the PSU and RSU awards that vested on December 31, 2013 in accordance with the terms of the awards. The amounts in this column represent the number of shares acquired on vesting multiplied by $49.14, the closing price of Verizon's common stock on December 31, 2013

[3] The amounts in this column include $2,960,078 for Mr. Mead and $466,619 for Mr. Stratton that were deferred under the Verizon Executive Deferral Plan in 2014 when the amounts would have otherwise been paid

Pension Plans

Effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and nonqualified defined benefit pension plans. All accruals under the Verizon Wireless defined benefit retirement plan (tax-qualified and nonqualified) were frozen as of December 31, 2006. Each of the named executive officers other than Messrs. Shammo and Stratton is eligible for a frozen pension benefit.

Verizon Management Pension Plan and Verizon Excess Pension Plan. The Verizon Management Pension Plan is a tax-qualified defined benefit pension plan and the Verizon Excess Pension Plan is a nonqualified defined benefit pension plan. Messrs. Mead and Milch are eligible for benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan. Mr. McAdam is not eligible for benefits under either of these plans because he was employed by Verizon Wireless prior to January 1, 2007. Under the Verizon Management Pension Plan and the Verizon Excess Pension Plan, the normal retirement age is age 65 with at least 5 years of service and the early retirement age for unreduced benefits is age 55 with 15 or more years of service, and total age plus years of service equal to at least 75. Messrs. Mead and Milch are eligible for early retirement benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan. For Messrs. Mead and Milch, their benefit under the Verizon Excess Pension Plan is based on the cash balance formula noted below, and each of them is vested in the benefit.

Until June 30, 2006, Mr. Milch earned pension benefits under a cash balance formula that provided for retirement pay credits equal to between four and seven percent (depending on age and service) of annual eligible pay for each year of service. Under the cash balance formula, a participant's account balance is also credited with monthly interest based upon the prevailing market yields on certain U.S. Treasury obligations. Eligible pay under the Verizon Management Pension Plan consisted of the employee's base salary and the short-term incentive award, up to the IRS qualified plan compensation limit. Pension benefits for all eligible pay in excess of the IRS limit were provided under the Verizon Excess Pension Plan based on the cash balance formula. At the time that the *tax-qualified and nonqualified pension* plans were frozen to future pension accruals on June 30, 2006, plan participants were provided with a one-time additional 18 months of benefits as a transition matter.

As a former employee of GTE Wireless Incorporated, Mr. Mead earned a pension benefit under the Verizon Management Pension Plan based on the better of two highest average pay formulas. The first formula was based

on 1 35% of his average annual eligible pay for the five highest consecutive eligible years of service The second formula was based on eligible pay for the five highest consecutive eligible years of service and was integrated with social security, with a 1 15% accrual for eligible pay under the social security integration level and a 1 45% accrual above the social security integration level. Both of these formulas were discontinued on May 31, 2004 for former GTE Wireless Incorporated employees employed by Verizon Wireless, and Mr Mead ceased to accrue a pension under those formulas on May 31, 2004 Effective October 23, 2005, Mr Mead transferred from Verizon Wireless to Verizon, and he started to again earn a pension under the better of (i) the 1 35% highest average pay formula or (ii) the cash balance formula. Mr Mead s service with Verizon Wireless from June 1 2004 through October 22, 2005 was excluded from any pension calculation As noted above, accruals under the 1 35% highest average pay formula and cash balance formula were frozen effective June 30, 2006.

At the time of Mr Mead s transfer from Verizon Wireless to Verizon effective October 23, 2005, the value of his nonqualified benefit was determined as a lump sum, and a nonqualified cash balance account was created under the Verizon Excess Pension Plan using this value as the opening balance as of November 1 2005 Mr Mead earned retirement pay credits equal to 7% (based on age and eligible service) of annual eligible pay in excess of the pay cap for each year of service after October 23, 2005, including monthly interest credits As noted above, accruals under the nonqualified cash balance formula were frozen effective June 30, 2006

Verizon Wireless Retirement Plan In 2001, Verizon Wireless consolidated the pension plans of several predecessor companies under the Verizon Wireless Retirement Plan Mr McAdam is entitled to both a tax-qualified and a nonqualified pension benefit under this plan Mr McAdam's tax-qualified pension benefit was determined under two formulas (i) for the period from January 1, 2001 until May 31, 2004, a cash balance formula that provided pay credits equal to two percent of annual eligible pay up to the IRS compensation limit (under the cash balance formula, a participant s account balance is also credited on an ongoing basis with interest credits based upon the 30-year Treasury bond), and (ii) a final average pay formula based on 24 years of service multiplied by 1 45% of Mr McAdam's average annual eligible pay for the five final consecutive years for each year of service through the end of 2006 The normal retirement age under the Verizon Wireless Retirement Plan is 65 The early retirement age (for unreduced benefits) under the plan is 55 Mr McAdam is eligible for
unreduced early retirement benefits under the plan Mr McAdam's nonqualified plan benefit was determined using the 1 45% final average pay formula and was calculated based on 10 years of service and only included his eligible pay in excess of the IRS compensation limit through the end of 2006, at which time no further adjustments to eligible pay were recognized under the plan For Mr McAdam, eligible pay consisted of base salary and the short-term incentive award No participant under the plan was eligible for cash balance credits under the nonqualified portion of the plan.

The following table illustrates the actuarial present value as of December 31, 2013 of pension benefits accumulated by the named executive officers, other than Messrs Shammo and Stratton who are not eligible for pension benefits

Pension Benefits

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit 1 ($) (d)	Payments During Last Fiscal Year ($) (e)
Mr. McAdam	Verizon Wireless Retirement Plan - Qualified	30	1,082,237	0
	Verizon Wireless Retirement Plan - Nonqualified	10 2	1,630 091	0
Mr Mead	Verizon Management Pension Plan	35	1,260,100	0
	Verizon Excess Pension Plan	8 2	3 427 986	0
Mr Milch	Verizon Management Pension Plan	20	167,319	0
	Verizon Excess Pension Plan	9 2	102,526	0

1The values are based on the assumptions for the actuarial determination of pension benefits as required by the relevant accounting standards as described in note 11 to the Company's consolidated financial statements for the year ended December 31, 2013, as included in the Company's 2013 Annual Report to Shareowners However, in accordance with the requirements for this table, the values are calculated using the executive's retirement at the

earliest age at which he can retire without having the retirement benefit reduced under the plan For Mr McAdam, the assumptions are generally the same as described above.

2The years of credited service for each of Messrs. McAdam, Mead and Milch with respect to the applicable plan is less than the named executive officer's number of actual years of service with the Company. For Mr McAdam, the 10 years of credited service represents the period over which he earned a benefit in the nonqualified portion of the Verizon Wireless Pension Plan. For Mr. Mead and Mr Milch, the 8 and 9 years of credited service represent the periods over which they earned a benefit in the Verizon Excess Pension Plan, respectively

Defined Contribution Savings Plans

The named executive officers are participants in the Company's tax-qualified defined contribution savings plan, the Verizon Management Savings Plan, which is referred to as the Savings Plan, and its nonqualified defined contribution savings plan the Verizon Executive Deferral Plan, which is referred to as the Deferral Plan The named executive officers participate in these plans on the same terms as other participants in these plans

Under the terms of the Savings Plan participants are eligible to defer up to 16% of their eligible pay into the Savings Plan up to the IRS qualified plan compensation limit Verizon provides a matching contribution equal to 100% of the first 6% of eligible pay that any participant contributes to the Savings Plan Under the Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit, short-term incentive compensation and long-term incentive compensation Verizon provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the Deferral Plan Deferrals of long-term incentive compensation, such as PSUs and RSUs, are not eligible for Company matching contributions Participants in the Savings Plan and the Deferral Plan are eligible for an additional discretionary profit-sharing contribution of up to 3% of eligible pay, in the case of the Savings Plan, and eligible deferrals, in the case of the Deferral Plan In determining whether to make a profit-sharing contribution, the Committee uses the same criteria it uses to determine the short-term incentive award paid to employees at the corporate level. For 2013, the discretionary contribution was 3 0%.

Messrs McAdam, Mead, Shammo and Stratton were participants in the Verizon Wireless Executive Deferral Plan while they were employed at Verizon Wireless Under the Verizon Wireless Executive Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit and short-term incentive compensation Verizon Wireless provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the plan Participants are eligible for an additional discretionary profit-sharing contribution to the Verizon Wireless Executive Deferral Plan of up to 3% of eligible pay and eligible deferrals In determining whether to make a profit-sharing contribution, the Verizon Wireless Human Resources Committee uses the same criteria used to determine the short-term incentive award paid to employees at the corporate level.

Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may elect to invest their deferrals in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to all plan participants under the Savings Plan Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may generally elect to receive their benefits in a lump sum or installments, commencing on a separation from service or specific date elected by the participant.

Messrs. Mead and Milch also have account balances under the Income Deferral Plan (referred to as the IDP) The IDP is a nonqualified deferred compensation plan that was the predecessor to the Deferral Plan The IDP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004 Participants in the IDP no longer accrue any additional benefits other than market-based investment earnings or losses on their individual accounts No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the plan. Participants in the IDP do not receive matching contribution credits or retirement credits under the plan

Messrs. McAdam, Mead, Shammo and Stratton also have account balances under the Verizon Wireless Executive Savings Plan (referred to as the ESP). The ESP is a nonqualified deferred compensation plan that was the predecessor to the Verizon Wireless Executive Deferral Plan. The ESP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the ESP no longer

accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the ESP. Participants in the ESP do not receive matching contribution credits or retirement credits under the plan.

The following table shows the 2013 account activity for each named executive officer and includes each executive's contributions, Company matching contributions, earnings, withdrawals and distributions and the aggregate balance of his total deferral account as of December 31, 2013

Nonqualified Deferred Compensation

Name (a)		Executive Contributions in Last FY 1 ($) (b)	Registrant Contributions in Last FY 2 ($) (c)	Aggregate Earnings in Last FY 3 ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE 4 ($) (f)
Mr. McAdam	Verizon Executive Deferral Plan	252 548	315 233	511 477	0	5 416 347
	Verizon Wireless Executive Deferral Plan	0	0	20 004	0	457 760
	Verizon Wireless Executive Savings Plan	0	0	95 122	0	2 176 724
Mr Mead	Verizon Executive Deferral Plan	4 111 189	104 241	1 066 374	0	16 466 034
	Verizon Income Deferral Plan	0	0	12 648	0	289 473
	Verizon Wireless Executive Deferral Plan	0	0	82 594	0	1 890 019
	Verizon Wireless Executive Savings Plan	0	0	64 436	0	1 506 474
Mr Shammo	Verizon Executive Deferral Plan	71 915	92 637	501 553	0	3 511 396
	Verizon Wireless Executive Deferral Plan	0	0	6 085	0	139 253
	Verizon Wireless Executive Savings Plan	0	0	151,171	0	1 332 465
Mr Stratton	Verizon Executive Deferral Plan	395 023	83 184	491 071	0	3 674 118
	Verizon Wireless Executive Deferral Plan	0	0	232 975	0	2 250 558
	Verizon Wireless Executive Savings Plan	0	0	394 201	0	3 601 454
Mr Milch	Verizon Executive Deferral Plan	833 250	78 742	476,497	0	4 514 169
	Verizon Income Deferral Plan	0	0	416 420	0	5 314 501

1Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (c) and (j) for Mr McAdam $73,546, for Mr Mead $156 442, for Mr Shammo $30,335, for Mr Stratton, $161,135 and for Mr Milch, $24,669

2The amounts listed in this column are also included in columns (i) and (j) of the Summary Compensation Table

3Of the amounts listed in this column the following amounts are also included in the Summary Compensation Table in columns (h) and (j) for Mr McAdam, $64,886 for Mr Mead $199 644, for Mr Shammo $10,475 for Mr Stratton $37,128, and for Mr Milch, $73 527

4The aggregate amounts shown in columns (e) and (f) include the following amounts that were reported as compensation to the named executive officer in the Summary Compensation Table in previous proxy statements of the registrant

- For Mr. McAdam, a total of $2 655 543 was reported (2008 to 2013)
- For Mr Mead, a total of $1,437,873 was reported (2011 to 2013),
- For Mr Shammo, a total of $479 446 was reported (2011 to 2013),
- For Mr Stratton a total of $469,484 was reported (2013) and
- For Mr Milch a total of $329,291 was reported (2012 to 2013)

Potential Payments upon Termination or Change in Control

The following summaries and tables describe and quantify the potential payments and benefits that would be provided to each of our named executive officers if a termination of employment or change in control of Verizon had occurred at the end of 2013 under Verizon's compensation plans and agreements

Payments Made upon Termination

Regardless of the manner in which a named executive officer's employment terminates the executive is entitled to receive amounts earned during the term of employment This includes amounts accrued and vested under our

pension plans and nonqualified deferred compensation plans, which are reported in the "Pension Benefits" and "Nonqualified Deferred Compensation" tables above. Those benefits are not included in the summaries and tables below.

In addition, amounts earned under our 2013 Short-Term Plan awards and amounts earned under our 2011 Long-Term Plan awards are not included in the summaries or tables below. Amounts earned under our 2013 Short-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 34-37 and are reported in the Summary Compensation Table on page 44. Amounts earned under our 2011 Long-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 38-40 and are reported in the Option Exercises and Stock Vested table on page 48 If a named executive officer's employment had terminated on December 31, 2013 for any reason other than for cause, the full amount of the 2013 Short-Term Plan award and the full amount of the 2011 Long-Term Plan awards in each case to the extent earned, would have been payable These amounts would be determined and payable at the same time as awards are determined and paid to participating employees generally under those plans In the event of a termination for cause no amount would have been payable under these awards.

Potential Payments upon Qualifying Separation or Involuntary Termination Without Cause

Mr McAdam As Chairman and CEO, Mr McAdam is not eligible to participate in the Senior Manager Severance Plan described below Mr McAdam is also not a party to an employment agreement with Verizon or any other agreement that would provide him with cash severance benefits in the event his employment is involuntarily terminated by Verizon without cause

Senior Manager Severance Plan Verizon provides severance benefits to certain employees, including all of the named executive officers other than the Chairman and CEO, under its Senior Manager Severance Plan Under the plan, a named executive officer is eligible to receive severance benefits if he experiences a "qualifying separation" from Verizon, which is generally defined as an involuntary termination by Verizon without cause, a voluntary termination by the executive solely due to the executive's refusal to accept a qualifying reclassification or relocation (as those terms are defined in the plan) or a determination by the independent members of the Board that the named executive officer has incurred a qualifying separation A severance benefit, if triggered, is payable to an executive only if the executive executes a release of claims against Verizon in the form satisfactory to Verizon and agrees not to compete or interfere with any Verizon business for a period of one year after termination from employment and always to protect Verizon's trade secrets and proprietary information

If a named executive officer incurs a qualifying separation under the plan, he is eligible to receive the following benefits (i) a lump-sum cash separation payment equal to two times the sum of his base salary and target short-term incentive opportunity and (ii) continued medical dental and vision coverage for two years

In addition, if the executive's qualifying separation occurs prior to the last day of the year, the executive will receive a prorated Short-Term Plan award for the year in which the termination occurs, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are payable to participating employees generally under the plan To the extent that an executive also becomes eligible for severance benefits under any outstanding agreement, plan or any other arrangement, the executive s cash severance payment under the Senior Manager Severance Plan will be reduced on a dollar-for-dollar basis by the amount or single sum value of the severance benefits payable to the executive under such other agreement plan or arrangement

Other Benefits Upon an involuntary termination of employment without cause a named executive officer would also be eligible to receive financial planning and outplacement services for one year following termination on the same basis as provided to other senior executives However executives will only be entitled to receive financial planning services if they participate in the program in the year in which their employment terminates Mr McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013 In addition, under the terms of the executive life insurance plan each named executive officer who is retirement eligible upon termination and who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs McAdam, Mead, Shammo and Stratton the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement, or (ii) in the case of Mr Milch the later of the executive's attainment of age 65 or 15 years of plan participation Retirement eligibility is generally defined as

having attained 75 points (age plus years of service) with at least 15 years of service. As of December 31, 2013, Mr. Mead had attained plan maturity and would not have been entitled to receive any additional payments from Verizon with respect to this benefit if his employment had terminated on the last business day of 2013.

Estimated Payments The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment been involuntarily terminated without cause or terminated for good reason on the last business day of 2013 and had incurred a qualifying separation under the Senior Manager Severance Plan

Name	Cash Separation Payment ($)	Continued Health Benefits 1 ($)	Outplacement Services ($)	Financial Planning 2 ($)	Executive Life Insurance Benefit 3 ($)
Mr. McAdam	0	0	0	0	163,157
Mr. Mead	3,780,000	24,700	14,500	10,000	0
Mr. Shammo	3,255,000	37,057	14,500	10,000	182,534
Mr. Stratton	3,045,000	37,057	14,500	10,000	181,859
Mr. Mitch	2,814,000	37,057	14,500	10,000	134,853

1 The amounts reflect Verizon's estimated cost of providing medical, dental and vision coverage for two years

2 Mr. McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013

3 If Mr. Mead had retired on December 31, 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date

Potential Payments upon Death, Disability or Retirement

Under the terms of the executive life insurance plan, in the event of disability or a qualifying retirement, a named executive officer who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs. McAdam, Mead, Shammo and Stratton, the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement or (ii) in the case of Mr. Mitch, the later of the executive's attainment of age 65 or 15 years of plan participation. If the named executive officer dies, his beneficiary would be entitled to receive the proceeds of the life insurance policy owned by the executive, payable by the third-party issuer of the policy. As of December 31, 2013, Mr. Mead had attained plan maturity and was no longer eligible to receive any additional payments from Verizon with respect to this benefit if his employment had terminated on the last business day of 2013.

Under the Short-Term Plan, if the named executive officer's employment terminates due to death, disability or a qualifying retirement prior to the last day of the year, the executive would be eligible for a prorated Short-Term Plan award for the year in which the termination date occurred, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are generally payable to participating employees under the plan. As described above, if the executive's employment terminates on the last day of the year for any reason other than for cause, the full amount of the Short-Term Plan award, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year, would have been payable.

In addition, upon death, disability or a qualifying retirement, each named executive officer would also be eligible to receive financial planning services for one year following termination on the same basis as provided to other senior executives, provided that they participated in the program in the year in which their employment terminates. Upon disability, the named executive officers would also be eligible for disability benefits under the tax-qualified and nonqualified disability plans.

Estimated Payments The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment terminated due to death, disability or qualifying retirement on the last business day of 2013.

Name	Executive Life Insurance Benefit 1 ($)	Disability Benefit 2 ($)	Financial Planning 3 ($)
Mr. McAdam			
Death	8,026,000	0	0
Disability	163,157	1,333,661	0
Retirement	163,157	0	0
Mr. Mead			
Death	1,800,000	0	10,000
Disability	0	1,228,443	10,000
Retirement	0	0	10,000
Mr. Shammo			
Death	2,694,000	0	10,000
Disability	182,534	420,677	10,000
Retirement	182,534	0	10,000
Mr. Stratton			
Death	2,520,000	0	10,000
Disability	181,859	423,793	10,000
Retirement 4	0	0	0
Mr. Mitch			
Death	2,328,000	0	10,000
Disability	134,853	1,768,505	10,000
Retirement	134,853	0	10,000

1 In the event of death, the amount represents the proceeds from the life insurance policy owned by the named executive officer, payable from the third-party issuer of the policy. In the event of disability or retirement, the amount, if any, represents the total amount of annual payments to the named executive officer to pay a portion of the annual premium of the life insurance policy owned by him, provided that the named executive officer continues to pay the annual premiums pursuant to the terms of the executive life insurance program. If Mr. Mead had retired on December 31, 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date.

2 Assumes that each named executive officer would be immediately eligible for long-term disability benefits from Verizon's qualified and nonqualified disability benefit plans. Messrs. Shammo and Stratton do not participate in the nonqualified portion of the disability benefit. The assumptions used to calculate the value of the disability benefits include a discount rate of 5.0% and mortality and recovery based on the 1987 National Association of Insurance Commissioners Group Disability Table. These rates represent the probability of death or recovery between the date of disability and the payment end date. The qualified portion of the disability benefit for Messrs. McAdam, Mead, Shammo, Stratton and Mitch is estimated at $445,974, $410,789, $420,677, $423,793 and $591,385, respectively, and the nonqualified portion of the disability benefit for Messrs. McAdam, Mead and Mitch is estimated at $887,687, $817,654, and $1,177,120, respectively. In order to receive the nonqualified portion of the disability benefit, the executive must pay the premium associated with the qualified portion of the benefit.

3 Mr. McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013.

4 Mr. Stratton would not have been entitled to receive executive life insurance benefits or financial planning benefits because he had not fulfilled the eligibility requirements for retirement under the terms of those programs on the last business day of 2013.

Potential Payments upon Change in Control

Verizon does not maintain any plans or arrangements that provide for any named executive officer to receive cash severance or any other cash payments in connection with a change in control of Verizon. If the named executive officer's employment terminates in connection with or following a change in control, he would be eligible for the same benefits, if any, that would become payable to the executive upon his termination under the circumstances as described above. Under the Short-Term Plan, if a change in control occurs, all outstanding awards will vest and become payable on the regularly scheduled payment date.

Equity Awards

As is the case for all participants under the terms of the Long-Term Plan and the applicable award agreements, upon an involuntary termination of employment without cause, death, disability or qualifying retirement, each named executive officer's then unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and each named executive officer's then unvested PSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle, but only if and to the extent that the applicable performance criteria for the award are achieved at the end of the applicable award cycle. However, Mr. McAdam's special PSU and RSU awards granted in 2011 will be forfeited if Mr. McAdam retires prior to July 31, 2016. Under the Long-Term Plan, a qualifying retirement generally means to retire after having attained at least 15 years of vesting service (as defined under the applicable Verizon tax-qualified savings plan) and a combination of age and years of vesting service that equals or exceeds 75 points. As of December 31, 2013, Messrs. McAdam, Mead, Shammo and Mitch were retirement-eligible under the Long-Term Plan.

In addition, under the terms of the Long-Term Plan and the applicable award agreements, if, in the 12 months following a change in control of Verizon, a participant's employment is involuntarily terminated without cause, all then-unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and all then-unvested PSUs will vest at target level performance and be paid on the regularly scheduled payment date after the end of the applicable award cycle.

Under the Long-Term Plan, a change in control of Verizon is generally defined as the occurrence of any of the following:

- Any person becomes a beneficial owner of shares representing twenty percent or more of Verizon's outstanding voting stock,
- Verizon consummates a merger, consolidation, reorganization or any other business combination, or
- The Board adopts resolutions authorizing the liquidation or dissolution, or sale of all or substantially all of the assets, of Verizon.

However, a change in control will not occur if:

- The amount of Verizon voting stock outstanding immediately before the transaction represents at least forty-five percent of the combined voting power of the corporation that survives the transaction,
- Verizon Directors constitute at least one-half of the board of directors of the surviving corporation,
- Verizon's CEO is the CEO of the surviving corporation, and
- The headquarters of the surviving corporation is located in New York, New York.

Estimated Payments The following table shows the estimated value of the payouts that the named executive officers could have received in respect of their outstanding unvested equity awards if any of the following events occurred on the last business day of 2013: (i) a change in control of Verizon without a termination of employment, (ii) a change in control of Verizon and an involuntary termination of employment without cause, and (iii) a termination of employment as a result of an involuntary termination without cause, qualifying retirement, or death or disability. The amounts represent the estimated value of the RSU and PSU awards granted in 2012 and 2013, and in addition for Mr. McAdam, his special 2011 PSU and RSU awards, that would have been payable pursuant to the terms of the award agreements, calculated using the total number of units (including accrued dividends) on the last business day of 2013 and $49.14, Verizon's closing stock price on that date, and for the PSUs, assuming the award would vest at target performance levels. The actual amount payable under these awards can be determined only at the time the awards would be paid.

Name	Change in Control Without Termination ($)	Change in Control And Termination Without Cause ($)	Termination Without Cause ($)	Retirement 1 ($)	Death or Disability ($)
Mr. McAdam	0	37,097,309	37,097,309	21,936,710	37,097,309
Mr. Mead	0	10,752,913	10,752,913	10,752,913	10,752,913
Mr. Shammo	0	9,339,450	9,339,450	9,339,450	9,339,450
Mr. Stratton	0	8,882,153	8,882,153	0	8,882,153
Mr. Mitch	0	7,997,191	7,997,191	7,997,191	7,997,191

1 Mr. Stratton would not have been entitled to receive any amount in respect of his outstanding unvested equity awards upon retirement because he had not met the eligibility requirements for retirement under the terms of the Long-Term Plan on the last business day of 2013.

Non-Employee Director Compensation

In 2013, each non-employee Director of Verizon received an annual cash retainer of $100,000. Any Director who served on the Board for less than the full year received an amount pro-rated to reflect the portion of the year he or she served. The Corporate Governance and Policy and Finance Committee Chairpersons received an additional annual cash retainer of $15,000, the Audit and Human Resources Committee Chairpersons received an additional annual cash retainer of $25,000, and the Presiding Director received an additional annual cash retainer of $10,000. Each Director also received an annual grant of Verizon share equivalents valued at $150,000 on the grant date. No meeting fees were paid if a Director attended a Board or Committee meeting on the day before or the day of a regularly scheduled Board meeting. Each Director who attended such a meeting held on any other date received a meeting fee of $2,000.

In addition, in 2013, the Board established a committee composed of Mr. Price (Chairperson), Ms. Keeth and Ms. Tesija to assist the Board in responding to a shareholder demand. The Chairperson received a cash retainer of $5,000, and each Committee member received a meeting fee of $2,000 for each of the three meetings held by the Committee during 2013.

A new Director who joins the Board receives a one-time grant of 3,000 Verizon share equivalents valued at the closing price on the date that the Director joins the Board.

All share equivalents are automatically credited to the Director's deferred compensation account under the Verizon Executive Deferral Plan and invested in a hypothetical Verizon stock fund. Amounts in the deferred compensation account are paid in a lump sum in the year following the year that the Director leaves the Board.

Under the Verizon Executive Deferral Plan, Directors may defer all or part of their annual cash retainer and meeting fees. A Director may elect to invest these amounts in a hypothetical cash account that earns a return rate equal to the long-term high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to participants in Verizon's Management Savings Plan.

Directors who served as directors of NYNEX Corporation participate in a charitable giving program. Under this program, when a participant retires from the Board or attains age 65 (whichever occurs later) or dies, one or more charitable contributions in the aggregate amount of $1,000,000 are made, payable in ten annual installments. Directors who served as directors of GTE Corporation participate in a similar program for which the aggregate contribution is $1,000,000, payable in five annual installments commencing upon the Director's death. The GTE and NYNEX programs are financed through the purchase of insurance on the life of each participant. The charitable giving programs are closed to future participants. In 2013, the aggregate cost of maintaining and administering the legacy charitable giving programs for all participants was $62,185.

The Directors are eligible to participate in the Verizon Foundation Matching Gifts Program. Under this program, which is open to all Verizon employees, the Foundation matches up to $5,000 per year of charitable contributions to accredited colleges and universities, $1,000 per year of charitable contributions to any non-profit with 501(c)(3) status, and $1,000 per year of charitable donations to designated disaster relief campaigns.

Director Compensation

Name (a)	Fees Earned or Paid in Cash [1] ($) (b)	Stock Awards [2] ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($) (f)	All Other Compensation [4] ($) (g)	Total ($) (h)
Shellye L. Archambeau	8,333	160,280	0	0	0	0	168,613
Richard L. Carrión*	122,500	150,000	0	0	4,217	0	276,717
Melanie L. Healey	124,000	150,000	0	0	0	5,750	279,750
M. Frances Keeth	134,000	150,000	0	0	0	0	284,000
Robert W. Lane	128,000	150,000	0	0	4,462	0	282,462
Sandra O. Moose*	153,000	150,000	0	0	7,776	5,000	315,776
Joseph Neubauer*	149,000	150,000	0	0	0	0	299,000
Donald T. Nicolaisen*	153,000	150,000	0	0	0	0	303,000
Clarence Otis, Jr.	128,000	150,000	0	0	10,692	0	288,692
Hugh B. Price*	135,000	150,000	0	0	1,471	5,000	291,471
Rodney E. Slater	122,000	150,000	0	0	0	0	272,000
Kathryn A. Tesija	132,000	150,000	0	0	832	0	282,832
Gregory D. Wasson	109,333	265,160	0	0	0	6,000	380,493

* Denotes a Chairperson of a standing or special committee

1 This column includes all fees earned or paid in 2013, whether the fee was paid in 2013 or deferred

2 For each Director this column reflects the grant date fair value of the Director's 2013 annual stock award computed in accordance with FASB ASC Topic 718. For Ms. Archambeau, this column reflects the grant date fair value of her annual share equivalents award valued at $12,500, which was prorated to reflect the portion of the year that she served on the Board, and includes the one-time grant of 3,000 Verizon share equivalents with the grant date fair value of $147,780 that she received upon her appointment to the Board effective December 1, 2013, in each case based on the closing price of Verizon's common stock on the grant date. For Mr. Wasson, this column reflects the grant date fair value of his annual share equivalents award valued at $125,000, which was prorated to reflect the portion of the year that he served on the Board, and includes the one-time grant of 3,000 Verizon share equivalents with the grant date fair value of $140,160 that he received upon his appointment to the Board effective March 1, 2013, in each case based on the closing price of Verizon's common stock on the grant date. The following reflects the aggregate number of share equivalent awards and the aggregate number of option awards outstanding as of December 31, 2013 for each person who served as a non-employee Director during 2013: Shellye Archambeau, 3,254 and 0; Richard Carrión, 90,366 and 0; Melanie Healey, 11,007 and 0; M. Frances Keeth, 38,399 and 0; Robert Lane, 48,982 and 0; Sandra Moose, 80,085 and 0; Joseph Neubauer, 99,201 and 7,798; Donald Nicolaisen, 45,615 and 0; Clarence Otis, Jr., 44,994 and 0; Hugh Price, 70,160 and 0; Rodney Slater, 20,131 and 0; Kathryn Tesija, 6,646 and 0; and Gregory Wasson, 5,851 and 0.

3 This column reflects above-market earnings on nonqualified deferred compensation plans. Non-employee Directors do not participate in any defined benefit pension plan.

4 This column reflects matching contributions made on the Directors' behalf under the Verizon Foundation Matching Gift Program.

Security Ownership of Certain Beneficial Owners and Management

Principal Shareholders

On March 3, 2014, there were approximately [XX] billion shares of Verizon common stock outstanding and each share is entitled to one vote. The following table sets forth information about persons we know to beneficially own more than five percent of the shares of Verizon common stock, based on our records and information reported in filings with the SEC. To the extent that information in the table is based on information contained in an SEC filing, it is accurate only as of the date referenced in the filing. On February 21, 2014 in connection with the Verizon Wireless transaction, we issued approximately 1.27 billion shares, thereby increasing our outstanding common stock by approximately 45%. As a result, it is possible that shareholders' percentage interest in our outstanding common stock has changed significantly since that date.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock Inc. 40 East 52nd Street New York, New York 10022	169,544,335	5.9%

* This information is based on a Schedule 13G filed with the SEC on February 10, 2014 by BlackRock Inc., setting forth information as of December 31, 2013. The Schedule 13G states that BlackRock Inc. has sole voting power with respect to 137,363,936 shares and shared voting power with respect to 17,014 shares and sole dispositive power with respect to the 169,527,321 shares and shared dispositive power with respect to 17,014 shares.

Directors and Executive Officers

In the following table you can find information showing the number of shares of Verizon common stock beneficially owned by each of the named executive officers, each Director and all executive officers and Directors as a group as of January 31, 2014. This information includes shares held in Verizon's employee savings plans and shares that may be acquired within 60 days pursuant to the exercise of stock options and/or the conversion of certain stock units under deferred compensation plans. The aggregate number of shares owned by executive officers and Directors represents less than one percent of the total number of outstanding shares of Verizon common stock. Unless we have indicated otherwise, each individual and/or his or her family member(s) has or have sole or shared voting and/or investment power with respect to the securities. Executive officers and Directors also have interests in other stock-based units under Verizon deferred compensation plans and stock-based long-term incentive awards. We have included these interests in the "Total Stock-based Holdings" column in the table below to show the total economic interest that the executive officers and Directors have in Verizon common stock.

Name	Stock [1]	Total Stock-based Holdings [2]
Named Executive Officers*		
Lowell McAdam*	322,191	1,298,685
Daniel Mead	46,164	434,492
Francis Shammo	73,686	410,817
John Stratton	53,197	378,090
Randal Milch	76,131	345,210
Directors*		
Shellye Archambeau	—	3,254
Richard Carrión	4,451	91,626
Melanie Healey	—	11,007
M. Frances Keeth	—	38,399
Robert Lane	—	48,982
Sandra Moose	—	80,085
Joseph Neubauer	24,859	145,348
Donald Nicolaisen	—	45,615
Clarence Otis, Jr.	3,000	47,994
Hugh Price	2,559	70,218
Rodney Slater	—	20,131
Kathryn Tesija	—	6,646
Gregory Wasson	—	5,851
All of the above and other executive officers as a group [3]	811,605	4,734,567

* Mr. McAdam also serves as a Director.

1 In addition to direct and indirect holdings, the "Stock" column includes shares that may be acquired within 60 days pursuant to the conversion of RSUs granted in 2011 as follows: 109,531 shares for Mr. McAdam; 23,823 shares for Mr. Mead; 44,360 shares for Mr. Shammo, 33,779 shares for Mr. Stratton; and 39,119 shares for Mr. Milch. The "Stock" column also includes shares that may be acquired within 60 days pursuant to the conversion of certain stock units under deferred compensation plans as follows: 12,771 shares for Mr. Milch; 3,191 shares for Mr. Carrión; and 2,501 shares for Mr. Price. Prior to conversion, the shares underlying the RSUs and deferred compensation units may not be voted or transferred. No shares are pledged as security.

2 The "Total Stock-based Holdings" column includes, in addition to shares listed in the "Stock" column, stock-based units under deferred compensation plans and stock-based long-term incentive awards, which may not be voted or transferred.

Section 16(a) Beneficial Ownership Reporting Compliance

SEC rules require that we disclose any late filings of stock transaction reports by our executive officers and Directors. Based solely on a review of the reports that we filed on behalf of these individuals or that were otherwise provided to us, our executive officers and Directors met all Section 16(a) filing requirements during calendar year 2013.

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CORPORATE GOVERNANCE GUIDELINES

The Board has adopted these Guidelines and the Committee Charters to provide a framework for the functioning of the Board. The Board will periodically review these materials and practices in light of ongoing developments and the Corporation's needs to determine whether any changes are required.

Role of the Board

The business of the Corporation is conducted by management, under the direction of the Board of Directors. The Board, and each committee of the Board, has complete access to management. In addition, the Board and each committee have access to independent advisors as each deems necessary or appropriate.

Strategic Planning and Management Development. At least once a year, the Board conducts a strategic planning session with management. The Board reviews succession planning and management development at least annually. The process includes consideration of organizational needs, competitive challenges, the potential of key managers, planning for future development and emergency situations.

Executive Sessions. The independent Directors of the Board meet at least twice each year in executive session. The non-employee Directors of the Board meet at least three times each year in executive session. Any Director has the right to call a meeting or executive session of the independent Directors or of the non-employee Directors.

In at least one executive session, the Board assesses the process and effectiveness of the Board (including opportunities for continuing education and orientation of new Directors) and considers any other matters that the Directors request. In an executive session of independent Directors, the Board receives the Human Resources Committee's report on the CEO's performance and compensation.

Presiding Director. At or prior to the Annual Meeting of Shareholders, the independent members of the Board of Directors shall elect an independent Director to serve as Presiding Director until the next Annual Meeting, or until his or her successor is elected and qualified. The Presiding Director shall act as liaison with the Chairman, in consultation with the other Directors. In addition, all Directors shall have direct and complete access to the Chairman at any time as they deem necessary or appropriate. The Presiding Director shall chair all executive sessions of the Board and all other meetings of the Board at which the Chairman is not present. The Presiding Director may, in his or her discretion, call a *meeting of the Board or an executive session of the Board, and shall call an executive session at the request of any* other Director.

The Presiding Director, in consultation with the Chairman, shall review and approve the schedule of meetings of the Board, the proposed agendas and the materials to be sent to the Board. Directors shall have the opportunity to provide suggestions for the meeting schedule, agenda items and materials to the Chairman or the Presiding Director.

Any shareholder or interested party may communicate directly with the Presiding Director:

Verizon Communications Inc.
Presiding Director
Board of Directors
140 West Street, 29th Floor
New York, New York 10007

Committees. There are three (3) standing committees of the Board: Audit, Corporate Governance and Policy, and Human Resources. The members of the Audit, Corporate Governance and Policy and Human Resources committees will be independent as required by law or regulation. The Board may change the number of committees from time to time.

The responsibilities of each committee are set forth in its charter, which is approved by the Board and posted on the Corporation's website. Each committee Chair approves the agenda and materials for each meeting and reports its actions and discussions to the Board as soon as practicable. At least annually, each committee conducts an assessment of its charter and its processes and effectiveness.

Membership. The Corporate Governance and Policy Committee annually reviews and recommends the members and Chair of each committee for approval by the Board. The Committee periodically considers rotating Chairs and members of the committees.

Meetings. Directors are expected to attend all meetings of the Board and each committee on which they serve. Directors are provided with a copy of the proposed agenda sufficiently in advance of each scheduled meeting in order to have the opportunity to comment on or make changes to the agenda. Directors standing for election are expected to attend the Annual Meeting of Shareholders.

Board Composition and Director Qualifications

The Board will periodically assess the needs of the Corporation to determine the appropriate size of the Board. At all times, a substantial majority of the Board will be independent and not more than two Directors will be current or former employees of Verizon.

Qualifications. A candidate must:

- Be ethical,
- Have proven judgment and competence,
- Have professional skills and experience in dealing with a large, complex organization or in dealing with complex problems that are complementary to the background and experience represented on the Board and that meet the needs of the Corporation,
- Have demonstrated the ability to act independently and be willing to represent the interests of all *shareholders and not just those of a particular philosophy or constituency, and*
- Be willing and able to devote sufficient time to fulfill his or her responsibilities to Verizon and its shareholders.

In assessing the appropriate composition of the Board, the Corporate Governance and Policy Committee also considers other factors that are relevant to the current needs of the Corporation, including those that promote diversity.

Identification and Consideration of Candidates. The Corporate Governance and Policy Committee considers candidates proposed by members of the Committee, other Directors, management and shareholders. The Committee considers candidates for re-election, provided that the candidate has consented to stand for re-election and tendered an irrevocable resignation to the Chairman of the Committee prior to nomination each year. All candidates are evaluated in the same manner. After the Committee has completed its evaluation, it presents its recommendation to the full Board for its consideration and approval. In presenting its recommendation, the Committee also reports on other candidates who were considered but not selected.

Verizon will conduct an orientation program for each new Director that includes, among other things, a review of the Corporation's business, financial condition, strategy, ethical obligations, key issues and other relevant topics.

Independence. A Director is considered independent if the Board finds that the Director is independent under the corporate governance listing standards of the New York Stock Exchange and the Nasdaq Stock Market. In addition, in evaluating independence, the Board will not consider a Director independent if:

1. *Within the past three years, the Director or a Member of the Director's Immediate Family has:*
   - Been an employee of Verizon or a Verizon subsidiary ("Verizon");

   - Received during any 12-month period more than $100,000 in direct compensation from Verizon (other than Director's compensation and other than pension or other deferred compensation for prior service with Verizon);
   - Been an executive officer of a company where at the same time a Verizon executive officer or executive in compensation Band 1 (each a "Verizon Senior Executive") served on the company's compensation committee;
2. The Director is retained under a personal or professional services contract by Verizon;
3. The Director is an employee, or a Member of the Director's Immediate Family is an executive officer, of a company that has made payments to, or received payments from, Verizon in an amount that, in any of the past three years, exceeded the greater of $1 million or one percent of that company's consolidated gross revenues;
4. The Director is an executive officer of a lender to Verizon and Verizon's outstanding indebtedness to the lender in any of the past three years exceeded one percent of the lender's outstanding loans at the end of the lender's fiscal year;
5. The Director is an executive officer of a non-profit entity that has received contributions from Verizon or its Foundation that, in any of the last three years, exceeded one percent of that entity's consolidated gross revenues (excluding matching gift contributions by Verizon's Foundation); or
6. The Director has any other relationship that the Board determines is inconsistent with applicable laws and regulations on directors' independence or that is likely to impair the Director's ability to act independently.

For purposes of these Guidelines except as otherwise noted, a Member of a Director's Immediate Family includes his or her spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the Director's home.

An executive officer of a company on whose board a Verizon Senior Executive serves is not eligible for nomination as a new Director of the Corporation.

Related Person Transaction Policy

Definitions. For purposes of this Policy,

"*Related Person*" means:

1. any person who has served as a Director or a Verizon executive officer ("Officer") at any time during the Corporation's last fiscal year;
2. any person whose nomination to become a Director has been presented in a proxy statement relating to the election of Directors since the beginning of the Corporation's last fiscal year;
3. any person who was at any time during the Corporation's last fiscal year an "Immediate Family Member" of any of the persons listed above. Immediate Family Member means spouse, child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the Director, Officer or nominee, and any person (other than a tenant or employee) sharing the household of such Director, Officer or nominee; or
4. any person or any Immediate Family Member of such person who is known to the Corporation to be the beneficial owner of more than 5 percent of the Corporation's stock at the time of the Transaction (as defined below).

"*Related Person's Firm*" means any firm, corporation or other entity in which a Related Person is an executive officer or general partner or in which all Related Persons together have a 10 percent or more ownership interest.

"*Transaction*" *means any transaction, arrangement or relationship with Verizon since the beginning of the* Corporation's last fiscal year in an amount greater than $120,000 that involves or will involve a Related Person or a Related Person's Firm. It does not include:

(a) compensation to a Director or Officer which is or will be disclosed in the Corporation's proxy statement;

(b) compensation to an Officer who is not an Immediate Family Member of a Director or of another Officer and which has been approved by the Human Resources Committee or the Board;
(c) a transaction in which the rates or charges involved are determined by competitive bids, or which involves common, contract carrier or public utility services at rates or charges fixed in conformity with law or governmental authority;
(d) a transaction that involves services as a bank depositary of funds, transfer agent, registrar, indenture trustee, or similar services; or
(e) a transaction in which the Related Person's interest arises solely from the ownership of Verizon stock and all shareholders receive the same benefit on a pro rata basis.

"*Related Person Transaction*" means a Transaction in which a Related Person is determined to have, had, or will have a direct or indirect material interest.

Policy Statement. The Board of Directors recognizes that Related Person Transactions can present potential conflicts of interest (or the perception thereof) and therefore has adopted this policy which shall be followed in connection with all Related Person Transactions involving the Company.

Process. *Annually, each Director and Officer shall, submit to Verizon the name and employment affiliation of his or her* Immediate Family Members and the name of any Related Person's Firm with which any of them are affiliated. Directors and Officers shall notify Verizon promptly of any changes to this information. Each Director and Officer shall also identify any Transaction that they, their Immediate Family Members or their Related Person Firms are or will be involved in. On an ongoing basis, Directors and Officers shall promptly advise the Committee of any changes to such Immediate Family Members, Transactions or Related Person Firms.

Management shall submit Transactions and appropriate supplemental information to the Corporate Governance and Policy Committee for its review.

The Corporate Governance and Policy Committee shall review Transactions in order to determine whether a Transaction is a Related Person Transaction. The Committee shall take such action with respect to the Related Person Transaction as it deems necessary and appropriate under the circumstances, including approval, disapproval, ratification, cancellation, or a recommendation to management. Only disinterested members of the Committee shall participate in those determinations. In the event it is not practical to convene a meeting of the Corporate Governance and Policy Committee, the Chair of that Committee shall have the right to make such determination and shall promptly report his or her determination in writing to the other members of the Committee.

The Committee shall report its action with respect to any Related Person Transaction to the Board of Directors.

Change In Status or Retirement

If a Director retires or changes his or her employment status or principal responsibility, the Director will tender a resignation to Verizon. The Corporate Governance and Policy Committee will recommend to the Board whether the resignation should be accepted.

Service on Other Boards

A Director who serves as an executive officer of a public company should not serve on more than three public company boards, including that of his or her own company, and other Directors should not serve on more than six public company boards. In order not to disrupt existing affiliations with other boards, a Director may maintain current positions, even if the number of those positions exceed these limits, unless the Board determines that permitting the position to continue will impair the Director's ability to serve on the Verizon Board. Directors are expected to advise the Corporate Governance and Policy Committee of any changes in their membership on other boards.

Retirement

A Director will retire from the Board the day before the Annual Meeting of Shareholders next following his or her 72nd birthday.

Compensation

The Human Resources Committee periodically reviews and determines Director compensation and benefits. The Committee determines compensation based on a review of comparable companies, alignment with the interests of shareholders and the advice of independent advisors.

Stock Ownership

Within three years of joining the Board, each Director shall acquire, and continue to hold during his or her tenure on the Board, Verizon stock with a value equivalent to three times the cash component of the annual Board retainer. Shares held by the Director under any deferral plan are included in determining the number of shares held.

Business Conduct and Ethics

Directors are expected to act in compliance with these Guidelines, applicable laws and regulations, and the spirit of the Verizon Code of Business Conduct for employees. Employee Directors are also governed by Verizon's Code of Business Conduct.

Conflicts of Interest. A Director should avoid situations that present or appear to result in a conflict of interest with Verizon. A Director may be considered to have a conflict of interest if the Director's interest interferes or appears to interfere in any material way with the interests of Verizon, including if

- The Director, any Member of the Director's Immediate Family, or any company with which any of them is associated as an officer, director, five percent or more owner, partner, employee or consultant (i) is a five percent or more owner of, or (ii) has any management interest in, any company that is in the same business as Verizon ("potential competitive interest"), or
- The Director offers gifts or other benefits to or solicits or receives gifts or other benefits from another entity as a result of his or her position with Verizon, or
- The Director has any other relationship that the Corporate Governance and Policy Committee believes is likely to result in a conflict of interest with Verizon.

A non-employee Director is expected to advise Verizon prior to acquiring or continuing any interest or entering into any transaction or relationship that may present a potential competitive interest. The Corporate Governance and Policy Committee, in consultation with the CEO and Chairman, will review and advise the Board as soon as practicable whether a conflict would be presented.

Corporate Opportunities. A Director should not take advantage of an opportunity to engage in a business activity that properly belongs to Verizon, including any activity that is discovered as a result of the use of Verizon information or property or in connection with his or her service as a Director. A Director should not use Verizon information, property or his or her position with Verizon for personal gain.

Securities Transactions. A Director should not trade, or enable any other person to trade, in Verizon's securities or the securities of another company while aware of material non-public information.

Confidentiality. Directors should maintain the confidentiality of information about Verizon and other entities which Verizon entrusts to them, except where the disclosure is authorized or required by law.

Fair Dealing. Directors should act fairly in any dealings with the Corporation's stakeholders, including customers, suppliers, competitors, employees and shareholders.

Waiver. No waiver of any provision of the business conduct and ethics requirements for a Director, or of any provision of the Verizon Code of Business Conduct for a Verizon Senior Executive, may be granted without the approval of the Board of Directors. The Board is strongly predisposed against any such waivers. However, in order to approve any such waiver, the Board must affirmatively find that the waiver does not violate any applicable law or regulation and that the waiver is in the best interests of the Corporation. In the event the Board approves a waiver, it will ensure that the waiver and the Board's rationale for granting the waiver are promptly disclosed, consistent with applicable legal and stock exchange requirements.

Verizon Senior Executives Serving on Outside Boards

A Verizon Senior Executive must obtain approval from the Corporate Governance and Policy Committee in advance of accepting any new membership on the Board of a public company. Verizon Senior Executives may not serve on the Board of more than two public companies other than Verizon.

A Verizon Senior Executive will not accept a new directorship with a company if the CEO or other executive officer of that company is serving as a Director of Verizon.

Shareholder Communications with Directors

If a shareholder wishes to communicate directly with the Board, a Committee of the Board or with an individual Director, he or she should send the communication to

Verizon Communications Inc.
The Board[of Directors [or Committee name or Director's name, as appropriate]
140 West Street, 29th Floor
New York, New York 10007

Verizon will forward all shareholder correspondence about Verizon to the Board, Committee or individual Director(s).

Policy on Adoption of Shareholder Rights Plans

The Corporation does not currently have a shareholder rights plan, or "poison pill," and the Board currently has no plans to adopt such a plan. However, if the Board is presented with a set of facts and circumstances which leads it to conclude that adopting a rights plan would be in the best interest of shareholders, it will seek prior shareholder approval unless the independent Directors, exercising their fiduciary duties, determine that such submission would not be in the best interests of shareholders under the circumstances. If any rights plan is adopted without prior shareholder approval, it will be presented to shareholders within one year or expire within one year without being renewed or replaced. Any plan adopted by the Board will also contain a "sunset" provision, providing that shareholders will have the opportunity to ratify or reject the plan every three years following the date of initial shareholder approval.

Shareholder Advisory Vote

Effective with the Corporation's 2009 Annual Meeting of Shareholders, a management proposal related to executive compensation in the form approved by the Board of Directors will be submitted annually to shareholders for a non-binding vote.

Appendix B

Related Dow Peer Information

The following chart lists the companies included in the Related Dow Peers for 2013 compensation purposes, and their market capitalization as of December 31, 2013, as reported by Bloomberg, and net income attributable to the company, revenue and total employees, as of each company's most recent fiscal year-end as reported in SEC filings.

Company	Market Capitalization ($ Millions)	Net Income Attributable to the Company ($ Millions)	Revenue ($ Millions)	Total Employees
3M	93,300			
Alcoa	11,385			
American Express	97,196			
AT&T	185,645			
Bank of America	166,072			
Boeing	102,566			
Caterpillar	57,787			
CenturyLink	18,826			
Chevron	240,224			
Cisco Systems	119,925			
Coca-Cola	182,422			
Comcast	134,921			
Du Pont (E I)	60,169			
Exxon Mobil	442,094			
General Electric	283,590			
Hewlett-Packard	53,408			
Home Depot	115,953			
IBM	203,674			
Intel	129,022			
Johnson & Johnson	258,416			
JPMorgan Chase	219,837			
McDonald's	96,548			
Merck	146,243			
Microsoft	312,298			
Pfizer	196,515			
Procter & Gamble	221,291			
Sprint Nextel	42,271			
Time Warner Cable	36,196			
Travelers	32,963			
UnitedHealth	75,805			
United Technologies	104,421			
Wal-Mart	254,623			
Walt Disney	134,756			
Verizon	140,626			
Verizon's Ranking	15			
Verizon's Percentile Ranking	58%			

Appendix C

Verizon Communications Inc. Reconciliation of Non-GAAP Measures

Adjusted Net Income Reconciliation

(dollars in billions)

Year Ended December 31,	2013
Reported Net Income Attributable to Verizon	$ 11.5
Severance, Pension and Benefit Credits	(3.9)
Gain on Spectrum License Transaction [1]	-
Wireless Transaction Costs	0.6
Adjusted Net Income Attributable to Verizon	$ 8.2

[1] The after-tax Gain on Spectrum License Transaction amounted to $47.8 million.

Adjusted EPS Reconciliation

Year Ended December 31,	2013
Reported EPS	$4.00
Severance, Pension and Benefit Credits	(1.35)
Gain on Spectrum License Transaction	(0.02)
Wireless Transaction Costs	0.20
Adjusted EPS	$ 2.84

Note: EPS may not add due to rounding.

Free Cash Flow Reconciliation

(dollars in billions)

Year Ended December 31,	2013
Net Cash Provided by Operating Activities	$ 38.8
Less: Capital Expenditures (including capitalized software)	16.6
Free Cash Flow	$ 22.2

City of Chicago

O2015-758

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Approval of multi-family loan with Hilliard Homes I Limited Partnership for replacement of deteriorated windows in Hilliard I Buildings at 2111 and 2031 S Clark St
Committee(s) Assignment:	Committee on Finance

FIN.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the execution of Multi-Family Loan agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Planning and Development ("DPD"); and

WHEREAS, as of October 1, 2002, the City issued $10,775,000 of Multi-Family Housing Revenue Bonds, Series 2002 (Hilliard Homes – Phase 1 Development), and made a loan (the "Loan") of Multi-Family Program Funds in the original principal amount of $1,425,779 to Hilliard Homes I Limited Partnership, an Illinois limited partnership (the "Borrower"), of which HHI Development Corporation, an Illinois corporation (of which Peter Holsten is the sole member) is the sole managing general partner, which Loan was secured by a Junior Mortgage, Security Agreement and Financing Statement (the "Junior Mortgage") for the purpose of financing a portion of the costs of rehabilitating (the "2002-04 Rehab") two historically significant buildings which contain a total of 327 affordable dwelling units (the "Hilliard I Buildings"); and

WHEREAS, the 2002-04 Rehab utilized financing from Midland Loan Services, Inc. in the original principal amount of $4,388,000, which is secured by a Leasehold Deed of Trust (the "Senior Mortgage"); and

WHEREAS, the 2002-04 Rehab further utilized financing from Bank of America, N.A. in the original principal amount of $10,800,000, which is secured by a Leasehold Deed of Trust (the "Second Mortgage"); and

WHEREAS, the 2002-2004 Rehab further utilized financing from the Chicago Housing Authority in the original principal amount of $24,650,000, which is secured by a Senior Mortgage, Security Agreement and Financing Statement (the "Third Mortgage"); and

WHEREAS, the 2002-2004 Rehab further utilized financing from the Illinois Housing Development Authority in the original principal amount of $750,000, which is secured by a Fourth Mortgage and Assignment of Rents and Leases (the "Fourth Mortgage"); and

WHEREAS, the 2002-2004 Rehab further utilized financing from Harris Bank Frankfort in the original principal amount of $500,000, which is secured by a Subordinate Leasehold Mortgage, Assignment of Lease and Rents, Security Agreement and Financing Statement (the "Subordinate Sixth Mortgage"); and

WHEREAS, the 2002-04 Rehab included preserving all the windows on the lower floors of the Hilliard I Buildings (the "Windows") pursuant to an agreement with the Illinois State Historic Preservation Office (the "IL SHPO"), and

WHEREAS, the Windows have deteriorated since the 2002-04 Rehab; and

WHEREAS, the IL SHPO has approved the replacement of the Windows with replicas designed to imitate the look of the originals (the "Window Replacement"); and

WHEREAS, the Borrower has requested financing from the City for the cost of the Window Replacement; and

WHEREAS, DPD has preliminarily reviewed and approved the making of a subordinate loan to Borrower in an amount not to exceed $252,608 (the "Loan") to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Commissioner of DPD (the "Commissioner") and a designee of the Commissioner (collectively, the "Authorized Officer") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. This ordinance shall be effective as of the date of its passage and approval.

EXHIBIT A

BORROWER	Hilliard Homes I Limited Partnership, an Illinois limited partnership (the "Borrower"), of which HHI Development Corporation, an Illinois corporation (of which Peter Holsten is the sole member) is the sole managing general partner, and of which Alliant Tax Credit XXII, G.P , Inc., a Florida corporation, is the sole administrative general partner, and of which certain other entities are limited partners	
PROJECT:	Replacement of certain historically significant windows in the Hilliard I Buildings located at 2111 and 2031 S. Clark Street, Chicago (the "Property")	
LOAN.	Source:	Multi-Family Program Funds
	Amount:	Not to exceed $252,608
	Term:	Not to exceed 42 years
	Interest:	Zero percent per annum
	Security:	Non-recourse loan; Mortgage on the Property subordinate to (i) the liens of the Senior, Second, Third and Fourth Mortgages, (ii) the lien of the Junior Mortgage, and (iii) the lien of the Subordinate Sixth Mortgage

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Hilliard Homes I Limited Partnership

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1020 West Montrose
Chicago, Illinois 60613

C. Telephone: 312-274-9137 Fax: 312-337-4592 Email: josephdunne@holstenchicago.com

D. Name of contact person: Joseph Dunne

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
HH1 Development Corporation	Managing General Partner

2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7 5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant Tax Credit Fund XXII, Ltd.	21600 Oxnard Street, Suite 1200 Woodland Hills, CA 91367-4949	99.98%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Applegate & Thorne-Thomsen	626 West Jackson Blvd., Chicago	Attorney	$20,000
Developers Mortgage Corporation	221 North LaSalle Street, Suite 3333 Chicago, Illinois 60601	Mortgage Banking	$45,000

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[x] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [X] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [X] No

If you checked "No" to question 1. or 2. above, please provide an explanation:
The Applicant is a limited partnership and has no employees.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Hilliard Homes I Limited Partnership
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter Holsten
(Print or type name of person signing)

Member, HH1 Development Corporation
Managing General Partner
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 3, 2014
at Cook County, _____ (state).

_____ Notary Public.

Commission expires: 8/26/15.

"OFFICIAL SEAL"
NIKISHIANNA CLAY
Notary Public, State of Illinois
My Commission Expires 08/26/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

HH1 Development Corporation

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1020 West Montrose Avenue
Chicago, Illinois 60613

C. Telephone: 312-274-9137 Fax: 312-337-4592 Email: josephdunne@holstenchicago.com

D. Name of contact person: Joseph Dunne

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Peter Holsten	President

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Peter Holsten	1020 West Montrose Ave Chicago, Illinois 60613	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

HH1 Development Corporation
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter Holsten
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 3, 2014
at Cook County, _____ (state).

_____ Notary Public.

"OFFICIAL SEAL"
NIKISHIANNA CLAY
Notary Public, State of Illinois
My Commission Expires 08/26/15

Commission expires: 8/26/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Tax Credit Fund XXII, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant Capital, Ltd.	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant Capital, Ltd.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	0.01% (GP)
Verizon Credit, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99.99% (LP)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Tax Credit Fund XXII, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here) By: Alliant Capital, Ltd., its general partner
By: Alliant, Inc., its general partner
By: Brian Goldberg, President

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Capital, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant, Inc.	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	1% (GP)
The Alliant Company, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99% (LP)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Capital, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here) By: Alliant, Inc., its general partner
By: Brian Goldberg, President

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Alliant Company, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

D. Name of contact person: Shawn Horwitz

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant, Inc.	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	1% (Managing Member)
Palm Drive Associates, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24.75% (Non-Managing Member)
344 Columbia Associates, Ltd.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24.75% (Non-Managing Member)
SAK Housing, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	49.5% (Non-Managing Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Alliant Company, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

By Alliant, Inc., its managing member
By Shawn Horwitz, CEO

Shawn Horwitz
(Print or type name of person signing)

Chief Executive Officer
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 09/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Sidney Kohl	Director/Chairman of the Board
Shawn Horwitz	Director/Chief Executive Office
Scott Kotick	Director/Executive Vice President
Brian Goldberg	President
James Jenkins	Director/Vice President/Treasurer/Secretary

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Sidney Kohl	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	50% Shareholder
Shawn Horwitz	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	25% Shareholder
Scott Kotick	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	25% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Robert Kohl	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Kohl New Generations Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	11.25%
SAK Housing, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	45%
Sidney A Kohl 2012 Irrevocable Family Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24%
The Lawrence Kohl 2013 Family Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	15%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Robert Kohl
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014.
at Palm Beach County, Florida (state).

Moira Malloy-Bernard
Notary Public

MOIRA MALLOY-BERNARD
MY COMMISSION # EE [illegible]
EXPIRES March 24, 2015
Bonded Thru Notary Public Underwriters

My Commission Expires: 3-24-2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Kohl New Generations Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Pentacorp, Inc., Patricia Fadness, President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SK Grandchildren	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Kohl New Generations Trust
(Print or type name of Disclosing Party)

By: Patricia Fadness
(Sign here) By: Pentacorp, Inc., Trustee
By: Patricia Fadness, President

Patricia Fadness
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25 2014
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2015.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Sidney A. Kohl	President
James C. Jenkins	Vice President / Treasurer

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Jana Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33 333% Shareholder
Lisa Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33 333% Shareholder
Lori Gandleman 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

James C. Jenkins
(Print or type name of person signing)

Vice President / Treasurer
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Sidney A Kohl 2012 Irrevocable Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Robert Kohl	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SK Grandchildren	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Sidney A Kohl 2012 Irrevocable Family Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Robert Kohl
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec 4, 2014.
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

Commission expires: 3-24-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. *It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.*

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Lawrence Kohl 2013 Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Pentacorp, Inc., Patricia Fadness, President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Lawrence Kohl	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Lawrence Kohl Family Trust
(Print or type name of Disclosing Party)

By: Patricia Fadness
(Sign here) By Pentacorp, Inc., Trustee
By Patricia Fadness, President

Patricia Fadness
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25 2014
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

Commission expires: 3-24-2018.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Palm Drive Associates, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 21600 Oxnard Street, suite 1200
Woodland Hills, CA 91367

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

D. Name of contact person: Shawn Horwitz

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Shawn Horwitz	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Shawn Horwitz	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Managing Member)
Joanne Horwitz	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Palm Drive Associates, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Shawn Horwitz
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 09/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

344 Columbia Associates, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 21600 Oxnard Street, Suite 1200
Woodland Hills, CA 91367

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: scott.kotick@alliantcapital.com

D. Name of contact person: Scott Kotick

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Ohio

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Scott Kotick	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Scott Kotick	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	25% (Managing Member)
Myra Kotick	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	25% (Member)
Kotick Family, LP	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

344 Columbia Associates, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Scott Kotick
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Credit Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 221 East 37 Street, 7 Floor
New York NY 10016

C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: Peter.D.Rutherford @ Verizon.Com

D. Name of contact person: Peter D. Rutherford

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See Attached	

2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
GTE Corporation	140 West Street New York, NY 10007	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter? Upon knowledge without inquiry

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [x] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records. Verification is based on a cursory review of some records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [x] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City. to the best of my knowledge.

Verizon Credit Inc.
(Print or type name of ~~Disclosing Party~~).

By: _____
(Sign here)

Peter D. Rutherford
(Print or type name of person signing)

Senior Vice President-Transactions and Portfolio Management
(Print or type title of person signing)

Signed and sworn to before me on (date) December 5, 2014,
at New York County, New York (state).

_____ Notary Public.

Commission expires: _____.

MARVA LEVINE
Notary Public, State of New York
No. 02LE-4818478
Qualified in New York County
Commission Expires February 28, 20 15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [ ] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Verizon Credit Inc. -- *Current Officers*

Name	Title
Cordy, Scott L.	Vice President - Taxes
Ellis, Matthew D.	Chairman of the Board
Golabek, Michael J.	Environmental Health and Safety Officer
Jankun, Richard P.	Vice President - Taxes
Krakowski, Richard F.	Senior Vice President - Chief Financial Officer and Risk Management, and Assistant Treasurer
Krause, Tracy	Treasurer
Levine, Marva M.	Vice President - Assistant General Counsel and Secretary
Manniello, Mario	Vice President - Taxes
Mason, J. Daniel	Assistant Secretary
Mattiola, Paul L.	Vice President - Taxes
Metzger, Kathleen	Vice President - Taxes
Meyer, Bonnie M.	Vice President - Affiliate Vendor Finance
Perrett, Londa C.	Assistant Secretary
Prashker, Audrey E.	Vice President and General Counsel
Repp, Paul H.	President and Chief Executive Officer
Rutherford, Peter D.	Senior Vice President - Transactions and Portfolio Management

Verizon Credit Inc. -- *Current Directors*

Name

Ellis, Matthew D.

Repp, Paul H.

Van Saders, William P.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Communications, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 221 East 37 Street, 7th floor
New York, NY 10016

C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: peter.d.rutherford@verizon.com

D. Name of contact person: Peter.D.Rutherford

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	23-2259884
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1095 Avenue of the Americas, New York, New York	10036
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 395-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

At September 30, 2014, 4,149,723,706 shares of the registrant's common stock were outstanding, after deducting 92,650,534 shares held in treasury.

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Item 1. Financial Statements

Condensed Consolidated Statements of Income
Verizon Communications Inc. and Subsidiaries

(dollars in millions, except per share amounts) (unaudited)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Operating Revenues	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Operating Expenses				
Cost of services and sales (exclusive of items shown below)	12,252	10,960	35,528	32,925
Selling, general and administrative expense	8,277	8,037	24,159	24,232
Depreciation and amortization expense	4,167	4,154	12,465	12,423
Total Operating Expenses	24,696	23,151	72,152	69,580
Operating Income	6,890	7,128	21,735	19,905
Equity in earnings (losses) of unconsolidated businesses	(48)	19	1,811	134
Other income (expense), net	71	20	(757)	84
Interest expense	(1,255)	(555)	(3,633)	(1,606)
Income Before Provision For Income Taxes	5,658	6,612	19,156	18,517
Provision for income taxes	(1,864)	(1,034)	(5,052)	(2,886)
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Net income attributable to noncontrolling interests	$ 99	$ 3,346	$ 2,248	$ 9,201
Net income attributable to Verizon	3,695	2,232	11,856	6,430
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Basic Earnings Per Common Share				
Net income attributable to Verizon	$ .89	$ .78	$ 3.03	$ 2.24
Weighted-average shares outstanding (in millions)	4,152	2,866	3,912	2,866
Diluted Earnings Per Common Share				
Net income attributable to Verizon	$ .89	$ .78	$ 3.03	$ 2.24
Weighted-average shares outstanding (in millions)	4,159	2,874	3,919	2,874
Dividends declared per common share	$ .55	$ .53	$ 1.61	$ 1.56

See Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Comprehensive Income
Verizon Communications Inc. and Subsidiaries

(dollars in millions) (unaudited)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Other comprehensive gain (loss), net of taxes				
Foreign currency translation adjustments	(114)	140	(1,054)	4
Unrealized gain (loss) on cash flow hedges	153	6	(31)	(17)
Unrealized gain (loss) on marketable securities	(13)	14	(1)	(1)
Defined benefit pension and postretirement plans	(39)	(36)	(117)	(108)
Other comprehensive gain (loss) attributable to Verizon	(14)	124	(1,183)	(117)
Other comprehensive gain (loss) attributable to noncontrolling interests	–	4	(23)	(11)
Total Comprehensive Income	$ 3,781	$ 5,706	$ 12,898	$ 15,503
Comprehensive income attributable to noncontrolling interests	$ 99	$ 3,350	$ 2,225	$ 9,190
Comprehensive income attributable to Verizon	3,682	2,356	10,673	6,313
Total Comprehensive Income	$ 3,781	$ 5,706	$ 12,898	$ 15,503

See Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Balance Sheets
Verizon Communications Inc. and Subsidiaries

(dollars in millions, except per share amounts) (unaudited)	At September 30, 2014	At December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 7,218	$ 53,528
Short-term investments	635	601
Accounts receivable - net of allowances of $646 and $645	13,283	12,439
Inventories	1,206	1,020
Prepaid expenses and other	2,431	3,406
Total current assets	24,773	70,994
Plant, property and equipment	230,452	220,865
Less accumulated depreciation	140,520	131,909
	89,932	88,956
Investments in unconsolidated businesses	818	3,432
Wireless licenses	75,303	75,747
Goodwill	24,617	24,634
Other intangible assets, net	5,738	5,800
Other assets	5,112	4,535
Total assets	$ 226,293	$ 274,098
Liabilities and Equity		
Current liabilities		
Debt maturing within one year	$ 1,603	$ 3,933
Accounts payable and accrued liabilities	17,055	16,453
Other	8,231	6,664
Total current liabilities	26,889	27,050
Long-term debt	107,627	89,658
Employee benefit obligations	25,770	27,682
Deferred income taxes	42,289	28,639
Other liabilities	5,750	5,653
Equity		
Series preferred stock ($.10 par value; none issued)	–	–
Common stock ($.10 par value, 4,242,374,240 and 2,967,610,119 shares issued in each period, respectively)	424	297
Contributed capital	11,089	37,939
Reinvested earnings	6,964	1,782
Accumulated other comprehensive income	1,175	2,358
Common stock in treasury, at cost	(3,465)	(3,961)
Deferred compensation – employee stock ownership plans and other	390	421
Noncontrolling interests	1,391	56,580
Total equity	17,968	95,416
Total liabilities and equity	$ 226,293	$ 274,098

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Cash Flows
Verizon Communications Inc. and Subsidiaries

(dollars in millions) (unaudited)	Nine Months Ended September 30, 2014	2013
Cash Flows from Operating Activities		
Net Income	$ 14,104	$ 15,631
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	12,465	12,423
Employee retirement benefits	843	649
Deferred income taxes	914	3,011
Provision for uncollectible accounts	684	746
Equity in earnings of unconsolidated businesses, net of dividends received	(1,785)	(100)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(816)	(1,078)
Other, net	(3,252)	(2,695)
Net cash provided by operating activities	23,157	28,387
Cash Flows from Investing Activities		
Capital expenditures (including capitalized software)	(12,624)	(11,807)
Acquisitions of investments and businesses, net of cash acquired	(180)	(811)
Acquisitions of wireless licenses	(343)	(430)
Proceeds from dispositions of wireless licenses	2,367	2,111
Proceeds from dispositions of businesses	120	–
Other, net	230	184
Net cash used in investing activities	(10,430)	(10,023)
Cash Flows from Financing Activities		
Proceeds from long-term borrowings	21,575	49,166
Repayments of long-term borrowings and capital lease obligations	(12,594)	(2,392)
Decrease in short-term obligations, excluding current maturities	(426)	(324)
Dividends paid	(5,653)	(4,420)
Proceeds from sale of common stock	34	76
Purchase of common stock for treasury	–	(153)
Special distribution to noncontrolling interest	–	(3,150)
Acquisition of noncontrolling interest	(58,886)	–
Other, net	(3,087)	(3,550)
Net cash provided by (used in) financing activities	(59,037)	35,253
Increase (decrease) in cash and cash equivalents	(46,310)	53,617
Cash and cash equivalents, beginning of period	53,528	3,093
Cash and cash equivalents, end of period	$ 7,218	$ 56,710

See Notes to Condensed Consolidated Financial Statements

Notes to Condensed Consolidated Financial Statements
Verizon Communications Inc. and Subsidiaries
(Unaudited)

1 Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared based upon Securities and Exchange Commission rules that permit reduced disclosure for interim periods. For a more complete discussion of significant accounting policies and certain other information, you should refer to the financial statements included in the Verizon Communications Inc. (Verizon or the Company) Annual Report on Form 10-K for the year ended December 31, 2013. These financial statements reflect all adjustments that are necessary for a fair presentation of results of operations and financial condition for the interim periods shown, including normal recurring accruals and other items. The results for the interim periods are not necessarily indicative of results for the full year. We have reclassified certain prior year amounts to conform to the current year presentation. Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other. The impact of this reclassification was not material to our condensed consolidated financial statements.

Revenue Recognition

We offer new and existing customers the option to participate in Verizon Edge, a program that provides eligible wireless customers with the ability to pay for handsets under an equipment installment plan. Under the Verizon Edge program, customers have the right to upgrade their handset after a minimum of 30 days, subject to certain conditions, including making a stated portion of the required device payments, trading in their handset in good working condition and signing a new contract with Verizon. Upon upgrade, the outstanding balance of the equipment installment plan is exchanged for the used handset. This trade-in right is accounted for as a guarantee obligation.

Verizon Edge is a multiple-element arrangement typically consisting of the trade-in right, handset and monthly wireless service. At the inception of the arrangement, the amount allocable to the delivered units of accounting is limited to the amount that is not contingent upon the delivery of the monthly wireless service (the non-contingent amount). The full amount of the trade-in right's fair value (not an allocated value) will be recognized as the guarantee liability and the remaining allocable consideration will be allocated to the handset. The value of the guarantee liability effectively results in a reduction to revenue recognized for the sale of the handset. The guarantee liability is measured at fair value upon initial recognition based on assumptions lacking observable pricing inputs, including the probability and timing of the customer upgrading to a new phone, the customer's estimated remaining installment balance at the time of trade-in and the estimated fair value of the phone at the time of trade-in and therefore is classified within Level 3 of the fair value hierarchy. When the customer trades-in their used phone, the handset received is recorded to inventory and measured as the difference between the remaining equipment installment plan balance at the time of trade-in and the guarantee liability. The guarantee liability may increase after initial recognition as a result of changes in facts or assumptions and we will account for any increase in the guarantee liability with a corresponding decrease to revenue. The subsequent derecognition of the guarantee liability occurs when the guarantor is released from risk, which will occur at the earlier of the time the trade-in right is exercised or expires.

Leasing Arrangements

At each reporting period, we monitor the credit quality of the various lessees in our portfolios. Regarding the leveraged lease portfolio, we use external credit reports where available and where not available we use internally developed indicators. These indicators or internal credit risk grades factor historic loss experience, the value of the underlying collateral, delinquency trends and industry and general economic conditions. The credit quality of our lessees primarily varies from AAA to CCC+. For each reporting period the leveraged leases within the portfolio are reviewed for indicators of impairment when it is probable the rent due according to the contractual terms of the lease will not be collected. All significant accounts, individually or in the aggregate, are current and none are classified as impaired.

Earnings Per Common Share

There were a total of approximately 7 million outstanding dilutive securities, primarily consisting of restricted stock units, included in the computation of diluted earnings per common share for the three and nine months ended September 30, 2014, respectively. There were a total of approximately 8 million outstanding dilutive securities, primarily consisting of restricted stock units, included in the computation of diluted earnings per common share for the three and nine months ended September 30, 2013, respectively. There were no outstanding options to purchase shares that would have been anti-dilutive for the three months ended September 30, 2014. Outstanding options to purchase shares that were not included in the computation of diluted earnings per common share, because to do so would have been anti-dilutive for the period, were not significant for the nine months ended September 30, 2014 and the three and nine months ended September 30, 2013, respectively.

Recently Adopted Accounting Standards

During the first quarter of 2014, we adopted the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. The adoption of this standard update did not have a significant impact on our condensed consolidated financial statements.

Recent Accounting Standards

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures of disposals of components of an entity was issued. This standard update changes the criteria for reporting discontinued operations and enhances convergence of the reporting requirements for discontinued operations. As a result of this standard update, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results. This standard update is effective as of the first quarter of 2015, however, earlier adoption is permitted.

In May 2014, the accounting standard update related to the recognition of revenue from contracts with customers was issued. This standard update clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards. The standard update intends to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, and provide more useful information to users of financial statements through improved disclosure requirements. Upon adoption of this standard update, we expect that the allocation and timing of revenue recognition will be impacted. We expect to adopt this standard update during the first quarter of 2017.

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers. Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients. Under the other method, the guidance is applied to contracts not completed as of the date of initial application, recognizing the cumulative effect of the change as an adjustment to the beginning balance of retained earnings, and also requires additional disclosures comparing the results to the previous guidance. We are currently evaluating these adoption methods and the impact that this standard update will have on our condensed consolidated financial statements.

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period was issued. The standard update resolves the diverse accounting treatment for these share-based payments by requiring that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. We will adopt this standard update during the first quarter of 2016. The adoption of this standard update is not expected to have a significant impact on our condensed consolidated financial statements.

2 Acquisitions and Divestitures

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion.

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VF1 Inc.), which indirectly through certain subsidiaries (together with VF1 Inc., the Purchased Entities) owned the Vodafone Interest. In consideration for the Transferred Shares, upon completion of the Wireless Transaction, Verizon (i) paid approximately $58.89 billion in cash, (ii) issued approximately 1.27 billion shares of Verizon's common stock, par value $0.10 per share (the Stock Consideration), which was valued at approximately $61.3 billion at the

billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23.1% interest in Vodafone Omnitel N.V. (Omnitel, and such interest, the Omnitel Interest), valued at $3.5 billion and (v) provided other consideration, which included the assumption of preferred stock valued at approximately $1.7 billion. The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness. See Note 4 for additional information.

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted. As a result, we accounted for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in the Partnership. Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted has been recognized in equity attributable to Verizon.

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also consummated the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement. As a result, during the nine months ended September 30, 2014, we recognized a pre-tax gain of $1.9 billion on the disposal of the Omnitel interest in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statements of income.

Verizon Notes

The Verizon Notes were issued to Vodafone pursuant to Verizon's existing indenture. The Verizon Notes were issued in two separate series with $2.5 billion due February 21, 2022 (the eight-year Verizon Notes) and $2.5 billion due February 21, 2025 (the eleven-year Verizon Notes). The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014. The eight-year Verizon Notes bear interest at a floating rate equal to three-month London Interbank Offered Rate (LIBOR), plus 1.222% and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.572%. The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series. Beginning two years after the closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017. Any Verizon Notes held by third parties will not be redeemable by Verizon prior to their maturity dates. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration provided to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D shares (8,22,000 shares outstanding) and Class E shares (8,22,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction.

Deferred tax liabilities

Certain deferred taxes directly attributable to the Wireless Transaction have been calculated based on an analysis of taxes attributable to the difference between the tax basis of the investment in the noncontrolling interest that is assumed compared to Verizon's book basis. As a result, Verizon recorded a deferred tax liability of approximately $14.5 billion.

Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA, Inc. (T-Mobile USA) to exchange certain Advanced Wireless Services (AWS) and Personal Communication Services (PCS) licenses. The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these

closing of the Wireless Transaction, (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5.0

exchanges, we received $0.9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses. As a result, we received $1.6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0.7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014.

During September 2014, we entered into a license exchange agreement with affiliates of AT&T Inc. to exchange certain AWS and PCS spectrum licenses. The non-cash exchange, which is subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, is expected to close in the first quarter of 2015. Upon completion of the transaction, we expect to record an immaterial gain.

During the three and nine months ended September 30, 2014, we acquired various other wireless licenses and markets for cash consideration that was not significant.

Wireline

On July 1, 2014, we sold a non-strategic Wireline business, which provides communications solutions to a variety of government agencies, for net cash proceeds of $0.1 billion and recorded an immaterial gain.

Other

During February 2014, Verizon acquired a business dedicated to the development of Internet Protocol (IP) television for cash consideration that was not significant.

On October 7, 2014, Redbox Instant by Verizon, a venture between Verizon and Redbox Automated Retail, LLC (Redbox), a wholly-owned subsidiary of Outerwall Inc., ceased providing service to its customers. In accordance with an agreement between the parties, Redbox withdrew from the venture on October 20, 2014 and Verizon will wind down and dissolve the venture during the next few months. As a result of the termination of the venture, we expect to record a pre-tax loss of approximately $0.1 billion in the fourth quarter of 2014.

3. Wireless Licenses, Goodwill and Other Intangible Assets

Wireless Licenses

Changes in the carrying amount of Wireless licenses are as follows:

(dollars in millions)	
Balance at January 1, 2014	$ 75,747
Acquisitions (Note 2)	438
Dispositions (Note 2)	(1,978)
Capitalized interest on wireless licenses	162
Reclassifications, adjustments and other	934
Balance at September 30, 2014	**$ 75,303**

Reclassifications, adjustments and other includes the exchanges of wireless licenses in 2014 as well as $0.3 billion of Wireless licenses that are classified as held for sale and included in Prepaid expenses and other on our condensed consolidated balance sheet at September 30, 2014 (see Note 2 for additional details).

At September 30, 2014, approximately $2.2 billion of Wireless licenses were under development for commercial service for which we were capitalizing interest costs.

Goodwill

Changes in the carrying amount of Goodwill are as follows:

(dollars in millions)	Wireless	Wireline	Total
Balance at January 1, 2014	$ 18,376	$ 6,258	$ 24,634
Acquisitions (Note 2)	15	10	25
Dispositions (Note 2)	–	(38)	(38)
Reclassifications, adjustments and other	–	(4)	(4)
Balance at September 30, 2014	**$ 18,391**	**$ 6,226**	**$ 24,617**

Other Intangible Assets

The following table displays the composition of Other intangible assets, net:

	At September 30, 2014			At December 31, 2013		
(dollars in millions)	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer lists (5 to 13 years)	$ 3,634	$ (2,870)	$ 764	$ 3,639	$ (2,660)	$ 979
Non-network internal-use software (3 to 7 years)	12,841	(8,183)	4,658	11,770	(7,317)	4,453
Other (2 to 25 years)	665	(349)	316	691	(323)	368
Total	$ 17,140	$ (11,402)	$ 5,738	$ 16,100	$ (10,300)	$ 5,800

The amortization expense for Other intangible assets was as follows:

(dollars in millions)	Three Months Ended September 30,	Nine Months Ended September 30,
2014	$ 391	$ 1,178
2013	398	1,183

The estimated future amortization expense for Other intangible assets is as follows:

Years	(dollars in millions)
Remainder of 2014	$ 401
2015	1,379
2016	1,145
2017	959
2018	795

4. Debt

Changes to debt during the nine months ended September 30, 2014 are as follows:

(dollars in millions)	Debt Maturing within One Year	Long-term Debt	Total
Balance at January 1, 2014	$ 3,933	$ 89,658	$ 93,591
Proceeds from long-term borrowings	–	21,575	21,575
Verizon Notes	–	5,000	5,000
Preferred Stock	–	1,650	1,650
Repayments of long-term borrowings and capital lease obligations	(3,363)	(9,231)	(12,594)
Decrease in short-term obligations, excluding current maturities	(426)	–	(426)
Reclassifications of long-term debt	1,097	(1,097)	–
Other	362	72	434
Balance at September 30, 2014	$ 1,603	$ 107,627	$ 109,230

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, €1.25 billion aggregate principal amount of 3.25% Notes due 2026 and £0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs. The net proceeds were used, in part, to finance the Wireless Transaction. Net proceeds not used to finance the Wireless Transaction were used for general corporate purposes. Also during February 2014, we issued $0.5 billion aggregate principal amount of 5.90% Notes due 2054 resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes.

On March 10, 2014, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the series of notes listed in the following table:

(dollars in millions, except for Purchase Price)	Interest Rate	Maturity	Principal Amount Outstanding	Purchase Price (a)	Principal Amount Purchased
Verizon Communications	6.10%	2018	$ 1,500	$ 1,170.07	$ 748
	5.50%	2018	1,500	1,146.91	763
	8.75%	2018	1,300	1,288.35	564
	5.55%	2016	1,250	1,053.62	652
	5.50%	2017	750	1,133.22	353
Cellco Partnership and Verizon Wireless Capital LLC	8.50%	2018	1,000	1,279.63	619
Alltel Corporation	7.00%	2016	300	1,125.26	157
GTE Corporation	6.84%	2018	600	1,196.85	266
					$ 4,122

(a) Per $1,000 principal amount of notes.

The Tender Offer for each series of notes was subject to a financing condition, which was either satisfied or waived with respect to all series. The Tender Offer expired on March 17, 2014 and settled on March 19, 2014. In addition to the purchase price, any accrued and unpaid interest on the purchased notes was paid to the date of purchase. During March 2014, we recorded early debt redemption costs in connection with the Tender Offer (see "Early Debt Redemption").

During March 2014, we issued $4.5 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $4.5 billion, net of discounts and issuance costs. The issuances consisted of the following: $0.5 billion aggregate principal amount Floating Rate Notes due 2019 that bear interest at a rate equal to three-month LIBOR plus 0.77%,

which rate will be reset quarterly), $0.5 billion aggregate principal amount of 2.55% Notes due 2019, $1.0 billion aggregate principal amount of 3.45% Notes due 2021, $1.25 billion aggregate principal amount of 4.15% Notes due 2024 and $1.25 billion aggregate principal amount of 5.05% Notes due 2034. During March 2014, the net proceeds were used to purchase notes in the Tender Offer described above.

During March 2014, Verizon Wireless redeemed $1.25 billion aggregate principal amount of the Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018 at 127.135% of the principal amount of such notes plus accrued and unpaid interest (see "Early Debt Redemption"). Also, during March 2014, $1.0 billion of LIBOR plus 0.61% Verizon Communications Notes and $1.5 billion of 1.95% Verizon Communications Notes matured and were repaid.

During September 2014, we issued $0.9 billion aggregate principal amount of 4.8% Notes due 2044. The issuance of these Notes resulted in cash proceeds of approximately $0.9 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes. Also during September 2014, we redeemed $0.8 billion aggregate principal amount of Verizon 1.25% Notes due November 2014 and recorded an immaterial amount of early debt redemption costs.

On October 22, 2014, we sold $6.8 billion aggregate principal amount of fixed rate notes, which are expected to settle on October 29, 2014. We expect to receive cash proceeds of approximately $6.425 billion, net of discounts and issuance costs and after reimbursement of certain expenses. The sale consisted of the following: $1.5 billion aggregate principal amount of 3.00% Notes due 2021, $2.5 billion aggregate principal amount of 3.50% Notes due 2024, and $2.5 billion aggregate principal amount of 4.40% Notes due 2034. The net proceeds from the offering will be used to redeem (i) in whole the following series of outstanding notes which have been called for early redemption in November 2014: Verizon 4.90% Notes due 2015, Verizon 5.55% Notes due 2016, Verizon 3.60% Notes due 2016, Verizon 5.50% Notes due 2017, Verizon 8.75% Notes due 2018, Alltel Corporation 7.00% Debentures due 2016 and Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and (ii) $1.0 billion aggregate principal amount of Verizon 7.50% Notes due 2016. Any proceeds not used for the redemption of these notes will be used for general corporate purposes.

May Exchange Offer

On May 29, 2014, we announced the commencement of a private exchange offer (the May Exchange Offer) to exchange up to all Cellco Partnership and Verizon Wireless Capital LLC's £0.6 billion outstanding aggregate principal amount of 8.875% Notes due 2018 (the 2018 Old Notes) for Verizon's new sterling denominated Notes due 2024 (the New Notes) and an amount of cash. This exchange offer has been accounted for as a modification of debt. In connection with the May Exchange Offer, which expired on June 25, 2014, we issued £0.7 billion aggregate principal of New Notes and made a cash payment of £22 million in exchange for £0.6 billion aggregate principal amount of tendered 2018 Old Notes. The New Notes bear interest at a rate of 4.073% per annum.

Concurrent with the issuance of the New Notes, we entered into cross currency swaps to fix our future interest and principal payments in U.S. dollars (see Note 6).

July Exchange Offers

On July 23, 2014, we announced the commencement of eleven separate private offers to exchange (the July Exchange Offers) specified series of outstanding Notes issued by Verizon and Alltel Corporation (collectively, the Old Notes) for new Notes to be issued by Verizon. The July Exchange Offers have been accounted for as a modification of debt. On August 21, 2014, Verizon issued $5.3 billion aggregate principal amount of 2.625% Notes due 2020 (the 2020 New Notes), $5.5 billion aggregate principal amount of 4.862% Notes due 2046 (the 2046 New Notes) and $5.5 billion aggregate principal amount of 5.012% Notes due 2054 (the 2054 New Notes) in satisfaction of the exchange offer consideration on tendered Old Notes (not including accrued and unpaid interest on the Old Notes). The following tables list the series of Old Notes included in the July Exchange Offers and the principal amount of each such series accepted by Verizon for exchange.

The table below lists the series of Old Notes included in the July Exchange Offers for the 2020 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	3 65%	2018	$ 4 750	$ 2,052
	2 50%	2016	4,250	1,068
				$ 3,120

The table below lists the series of Old Notes included in the July Exchange Offers for the 2046 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6 40%	2033	$ 6,000	$ 1,645
	7 75%	2030	2,000	794
	7 35%	2039	1 000	520
	7 75%	2032	400	149
Alltel Corporation	7 875%	2032	700	248
	6 80%	2029	300	65
				$ 3,421

The table below lists the series of Old Notes included in the July Exchange Offers for the 2054 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6 55%	2043	$ 15 000	$ 4,330
	6 40%	2038	1,750	–
	6 90%	2038	1,250	–
				$ 4,330

Term Loan Agreement

During February 2014, we drew $6 6 billion pursuant to a term loan agreement with a group of major financial institutions to finance, in part the Wireless Transaction $3 3 billion of the loans under the term loan agreement had a maturity of three years (the 3-Year Loans) and $3 3 billion of the loans under the term loan agreement had a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding Loans under the term loan agreement bear interest at floating rates The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3 50 1 00, until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively

During June 2014, we issued $3 3 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $3.3 billion, net of discounts and issuance costs The issuances consisted of the following $1 3 billion aggregate principal amount of Floating Rate Notes due 2017 that will bear interest at a rate equal to three-month LIBOR plus 0 40% which

will be reset quarterly and $2 0 billion aggregate principal amount of 1 35% Notes due 2017 We used the net proceeds from the offering of these notes to repay the 3-Year Loans on June 12 2014

During July 2014, we amended the term loan agreement, settled the outstanding $3 3 billion of 5-Year Loans and borrowed $3 3 billion of new loans The new loans mature in July 2019, bear interest at a lower interest rate and require lower amortization payments in 2017 and 2018 In connection with the transaction, which primarily settled on a net basis, we recorded approximately $0 5 billion of proceeds from long-term borrowings and of repayments of long-term borrowings, respectively

Verizon Notes

During February 2014 in connection with the Wireless Transaction we issued $5 0 billion aggregate principal amount of floating rate notes to Vodafone. These notes were issued in two separate series with $2 5 billion due February 21, 2022 and $2 5 billion due February 21 2022 The Verizon Notes bear interest at a floating rate, which will be reset quarterly with interest payable quarterly in arrears, beginning May 21, 2014 (see Note 2) The eight-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR plus 1 222% and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR plus 1 572%

Preferred Stock

As a result of the Wireless Transaction we assumed long-term obligations with respect to 5 143% Class D and Class E cumulative Preferred Stock issued by one of the Purchased Entities Both the Class D shares (825 000 shares outstanding) and Class E shares (825 000 shares outstanding) are mandatorily redeemable in April 2020 at $1 000 per share plus any accrued and unpaid dividends Dividends accrue at 5 143% per annum and will be treated as interest expense Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction

Other Credit Facilities

On July 31 2014, we amended our $6 2 billion credit facility to increase the availability to $8 0 billion and extend the maturity to July 31 2018 At the same time, we terminated our $2 0 billion 364-day revolving credit agreement As of September 30 2014, the unused borrowing capacity under this credit facility was approximately $7 9 billion

Early Debt Redemption

During March 2014 we recorded net debt redemption costs of $0 9 billion in connection with the early redemption of $1 25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018, and the purchase of the following notes pursuant to the Tender Offer: $0 7 billion of the then outstanding $1 5 billion aggregate principal amount of Verizon 6 10% Notes due 2018; $0 5 billion of the then outstanding $1 5 billion aggregate principal amount of Verizon 5 50% Notes due 2018; $0 6 billion of the then outstanding $1 3 billion aggregate principal amount of Verizon 8 75% Notes due 2018; $0 7 billion of the then outstanding $1 25 billion aggregate principal amount of Verizon 5 55% Notes due 2016; $0 5 billion of the then outstanding $0 75 billion aggregate principal amount of Verizon 5 50% Notes due 2017; $0 6 billion of the then outstanding $1 0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8 50% Notes due 2018; $0 2 billion of the then outstanding $0 3 billion aggregate principal amount of Alltel Corporation 7 00% Debentures due 2016; and $0 3 billion of the then outstanding $0 6 billion aggregate principal amount of GTE Corporation 6 84% Debentures due 2018

We recognize early debt redemption costs in Other income and (expense) net on our condensed consolidated statement of income

Guarantees

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries As of September 30 2014, $3 1 billion aggregate principal amount of these obligations remained outstanding Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, including the operating telephone company no longer being a wholly-owned subsidiary of Verizon

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1 2003 As of September 30 2014 $1 1 billion aggregate principal amount of these obligations remain outstanding

Debt Covenants

We and our consolidated subsidiaries are in compliance with all of our debt covenants

5 Wireless Equipment Installment Plans

We offer new and existing customers the option to participate in Verizon Edge, a program that provides eligible wireless customers with the ability to pay for their handset over a period of time (an equipment installment plan) and the right to upgrade their handset after a minimum of 30 days, subject to certain conditions, including making a stated portion of the required device payments, trading in their handset in good working condition and signing a new contract with Verizon. At September 30, 2014 the guarantee liability related to this program was approximately $0.7 billion.

At the time of sale, we impute risk adjusted interest on the receivables associated with Verizon Edge. We record the imputed interest as a reduction to the related accounts receivable. Interest income, which is included within Other income and (expense) net on our condensed consolidated statements of income, is recognized over the financed installment term.

We assess the collectability of our Verizon Edge receivables based upon a variety of factors, including the credit quality of the customer base, payment trends and other qualitative factors. The current portion of our receivables related to Verizon Edge included in Accounts receivable was $1.4 billion at September 30, 2014 and was not material at December 31, 2013. The long-term portion of the equipment installment plan receivables included in Other assets was $0.6 billion at September 30, 2014 and was not material at December 31, 2013.

The credit profiles of our customers with a Verizon Edge plan are similar to those of our customers with a traditional subsidized plan. Customers with a credit profile which carries a higher risk are required to make a down payment for equipment financed through Verizon Edge.

6 Fair Value Measurements

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of September 30, 2014.

(dollars in millions)	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total
Assets				
Short-term investments				
Equity securities	$ 388	$ –	$ –	$ 388
Fixed income securities	–	247	–	247
Other assets				
Fixed income securities	–	908	–	908
Interest rate swaps	–	44	–	44
Cross currency swaps	–	9	–	9
Total	$ 388	$ 1,208	$ –	$ 1,596
Liabilities:				
Other liabilities				
Forward interest rate swaps	$ –	$ 138	$ –	$ 138
Cross currency swaps and other	–	123	–	123
Total	$ –	$ 261	$ –	$ 261

[1] quoted prices in active markets for identical assets or liabilities

[2] observable inputs other than quoted prices in active markets for identical assets and liabilities

[3] no observable pricing inputs in the market

Equity securities consist of investments in common stock of domestic and international corporations measured using quoted prices in active markets.

Fixed income securities consist primarily of investments in municipal bonds that do not have quoted prices in active markets. For these securities, we use alternative matrix pricing resulting in these debt securities being classified as Level 2.

Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified within Level 2. We use mid-market pricing for fair value measurements of our derivative instruments. Our derivative instruments are recorded on a gross basis.

We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the fair value hierarchy during the nine months ended September 30, 2014.

Fair Value of Short-term and Long-term Debt

The fair value of our debt is determined using various methods, including quoted prices for identical terms and maturities, which is a Level 1 measurement, as well as quoted prices for similar terms and maturities in inactive markets and future cash flows discounted at current rates, which are Level 2 measurements. The fair value of our short-term and long-term debt, excluding capital leases, was as follows:

	At September 30, 2014		At December 31, 2013	
(dollars in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short- and long-term debt, excluding capital leases	$ 108,685	$ 121,972	$ 93,298	$ 103,527

Derivative Instruments

We enter into derivative transactions to manage our exposure to fluctuations in foreign currency exchange rates, interest rates, and equity and commodity prices. We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks. We do not hold derivatives for trading purposes.

We measure all derivatives, including derivatives embedded in other financial instruments, at fair value and recognize them as either assets or liabilities on our condensed consolidated balance sheets. Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period. Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item. Changes in the fair value of the effective portions of cash flow hedges are reported in Other comprehensive loss and recognized in earnings when the hedged item is recognized in earnings.

Interest Rate Swaps

We enter into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to Interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our condensed consolidated balance sheets as assets and liabilities. The fair value of these contracts was not material at September 30, 2014 and December 31, 2013, respectively. As of September 30, 2014, the total notional amount of the interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material for the three and nine months ended September 30, 2014, respectively.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a total notional value of $2.0 billion. We designated these contracts as cash flow hedges. In March 2014, we settled these forward interest rate swaps and the pre-tax gain was not material. During the first and second quarters of 2014, we entered into forward interest rate swaps with total notional values of $0.9 billion and $3.1 billion, respectively. During the third quarter of 2014, we entered into forward interest rate swaps with a total notional value of $0.8 billion. We designated these contracts as cash flow hedges.

In October 2014, we settled $1.4 billion of forward interest rate swaps.

Cross Currency Swaps

During the first quarter of 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

During the second quarter of 2014, in connection with the May Exchange Offer, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.2 billion of British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the effect of foreign currency transaction gains or losses In June 2014, we settled $0 8 billion of these cross currency swaps as part of the Exchange Offer and the gains with respect to these swaps were not material

A portion of the gains and losses recognized in Other comprehensive income (loss) was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was $0 1 billion at September 30 2014 and was not material at December 31, 2013 During the three and nine months ended September 30 2014, a pre-tax loss of $0 1 billion and an immaterial pre-tax loss, respectively were recognized in Other comprehensive income (loss) During the three and nine months ended September 30, 2013, a pre-tax gain of $0 1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss)

7 Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights restricted stock, restricted stock units, performance shares, performance stock units and other awards The maximum number of shares available for awards from the Plan is 119 6 million shares

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant The RSUs are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period Dividend equivalent units are also paid to participants at the time the RSU award is paid, and in the same proportion as the RSU award

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting The PSU award liability is measured at its fair value at the end of each reporting period and, therefore will fluctuate based on the price of Verizon common stock as well as performance relative to the targets Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award

The following table summarizes the Restricted Stock Unit and Performance Stock Unit activity

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding, January 1 2014	16 193	23,724
Granted	5,041	7,080
Payments	(6,165)	(9,153)
Cancelled/Forfeited	(229)	(252)
Outstanding, September 30, 2014	14,840	21,399

As of September 30, 2014, unrecognized compensation expense related to the unvested portion of outstanding RSUs and PSUs was approximately $0 5 billion and is expected to be recognized over approximately two years

The RSUs granted in 2014 have a weighted-average grant date fair value of $47 19 per unit.

8 Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees In addition we maintain postretirement health care and life insurance plans for our retirees and their dependents which are both contributory and non-contributory, and include a limit on our share of the cost for certain recent and future retirees In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets These estimates are updated in the fourth quarter or upon a remeasurement event to reflect actual return on plan assets and updated actuarial assumptions The adjustment will be recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains and losses

Net Periodic Benefit (Income) Cost

The following table summarizes the benefit (income) cost related to our pension and postretirement health care and life insurance plans

(dollars in millions)	Pension		Health Care and Life	
Three Months Ended September 30,	**2014**	**2013**	**2014**	**2013**
Service cost	$ 82	$ 99	$ 65	$ 79
Amortization of prior service cost (credit)	(2)	2	(63)	(62)
Expected return on plan assets	(296)	(311)	(41)	(36)
Interest cost	259	251	277	273
Net periodic benefit cost	$ 43	$ 41	$ 238	$ 254

(dollars in millions)	Pension		Health Care and Life	
Nine Months Ended September 30,	**2014**	**2013**	**2014**	**2013**
Service cost	$ 245	$ 296	$ 194	$ 238
Amortization of prior service cost (credit)	(6)	5	(190)	(185)
Expected return on plan assets	(886)	(933)	(122)	(108)
Interest cost	777	752	831	821
Remeasurement gain, net	–	(237)	–	–
Net periodic benefit (income) cost	$ 130	$ (117)	$ 713	$ 766

Pension Remeasurement

During the three and six months ended June 30, 2013, we recorded net pre-tax pension remeasurement credits of approximately $0 2 billion in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur The pension remeasurement credits relate to settlements for employees who received lump-sum distributions The credits were primarily driven by an approximately 75 basis point increase in our discount rate assumption used to determine the current year liabilities of one of our pension plans The change in discount rate resulted in a gain of $0 3 billion partially offset by a loss resulting from the difference between our expected return on assets assumption of 7 5% at December 31, 2012 and our annualized actual return on assets of 7 2% at June 30 2013, as well as other losses ($0 1 billion) Our weighted-average discount rate assumption increased from 4 2% at December 31 2012 to 5 0% at June 30 2013

During the three months ended September 30, 2013 as a result of the settlements noted above, we performed a pension remeasurement in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur This remeasurement was not material to our condensed consolidated statement of income for the period

During October 2014, the Society of Actuaries finalized new actuarial tables for applying mortality assumptions to measure qualified defined benefit plan and other post-employment benefit obligations We are currently evaluating the impact these new tables may have on our condensed consolidated financial statements, which may be material

Severance Payments

During the three and nine months ended September 30, 2014, we paid severance benefits of $0 1 billion and $0 4 billion, respectively At September 30, 2014, we had a remaining severance liability of $0 4 billion, a portion of which includes future contractual payments to employees separated as of September 30, 2014

Employer Contributions

During the three and nine months ended September 30, 2014, we contributed $0 2 billion and $1 1 billion, respectively, to our other postretirement benefit plans During the three and nine months ended September 30, 2014, we contributed $0 7 billion and $1 5 billion, respectively to our qualified pension plans The contributions to our nonqualified pension plans were $0 1 billion during the three and nine months ended September 30, 2014 There have been no material changes with respect to the qualified and nonqualified pension contributions in 2014 as previously disclosed in Part II Item 7 'Management's Discussion and Analysis of Financial Condition and Results of Operations' in our Annual Report on Form 10-K for the year ended December 31 2013

9 Equity and Accumulated Other Comprehensive Income

Equity

Changes in the components of Total equity were as follows

(dollars in millions)	Attributable to Verizon	Noncontrolling Interests	Total Equity
Balance at January 1 2014	$ 38 836	$ 56,580	$ 95 416
Net income	11 856	2,248	14 104
Other comprehensive loss	(1,183)	(23)	(1,206)
Comprehensive income	10 673	2,225	12 898
Issuance of common stock	127	–	127
Contributed capital	(26,850)	–	(26,850)
Dividends declared	(6,674)	–	(6,674)
Common stock in treasury	496	–	496
Purchase of noncontrolling interest		(55,960)	(55 960)
Distributions and other	(31)	(1,454)	(1 485)
Balance at September 30, 2014	$ 16 577	$ 1,391	$ 17,968

The changes in Common stock, Contributed capital and Purchase of noncontrolling interest are primarily due to the completion of the Wireless Transaction on February 21 2014 See Note 2 for additional information

Prior to the closing of the Wireless Transaction noncontrolling interests included in our condensed consolidated financial statements primarily consisted of Vodafone's 45% ownership interest in Verizon Wireless The noncontrolling interests that remain after the completion of the Wireless Transaction primarily relate to wireless partnership entities

Common Stock

As a result of the Wireless Transaction Verizon issued approximately 1 23 billion shares of Verizon common stock

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans including 9 1 million common shares issued from Treasury stock during the nine months ended September 30, 2014, which had an aggregate value of $0 4 billion

Accumulated Other Comprehensive Income

The changes in the balances of Accumulated other comprehensive income by component are as follows

(dollars in millions)	Foreign currency translation adjustments	Unrealized loss on cash flow hedges	Unrealized loss on marketable securities	Defined benefit pension and postretirement plans	Total
Balance at January 1, 2014	$ 853	$ 113	$ 117	$ 1,275	$ 2,358
Other comprehensive income (loss)	(143)	99	14	-	(30)
Amounts reclassified to net income	(911)	(110)	(15)	(117)	(1,153)
Net other comprehensive loss	(1,054)	(11)	(1)	(117)	(1,183)
Balance at September 30, 2014	$ (201)	$ 102	$ 116	$ 1,158	$ 1,175

The amounts presented above in net other comprehensive loss are net of taxes and noncontrolling interests, which are not significant. For the nine months ended September 30, 2014 the amounts reclassified to net income related to foreign currency translation adjustments are included in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income and are a result of the completion of the Omantel Transaction. See Note 2 for additional details. For the nine months ended September 30, 2014, the amounts reclassified to net income related to defined benefit pension and postretirement plans were included in Cost of services and sales and Selling, general and administrative expense on our condensed consolidated statement of income. For the nine months ended September 30, 2014, all other amounts reclassified to net income were included in Other income and (expense), net on our condensed consolidated statement of income.

10 Segment Information

Reportable Segments

We have two reportable segments, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income, consistent with the chief operating decision maker's assessment of segment performance.

Corporate, eliminations and other includes unallocated corporate expenses, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, pension and other employee benefit related costs, lease financing, as well as the historical results of divested operations and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance. Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other. The impact of this reclassification was not material to our condensed consolidated financial statements or our segment results of operations.

On July 1, 2014, our Wireline segment divested a non-strategic business (see Note 2). Accordingly, the historical Wireline results for these operations have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results.

Our segments and their principal activities consist of the following:

Segment	Description
Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States.
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

The following table provides operating financial information for our two reportable segments:

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
External Operating Revenues				
Wireless				
Retail service	$ 17,543	$ 16,761	$ 52,052	$ 49,327
Other service	794	737	2,313	1,950
Service revenue	18,337	17,501	54,365	51,277
Equipment	2,479	1,921	6,735	5,679
Other	991	952	3,011	2,866
Total Wireless	21,807	20,374	64,111	59,822
Wireline				
Consumer retail	3,902	3,735	11,606	11,020
Small business	613	637	1,858	1,907
Mass Markets	4,515	4,372	13,464	12,927
Strategic services	2,068	2,044	6,207	6,055
Core	1,315	1,490	4,097	4,575
Global Enterprise	3,383	3,534	10,301	10,630
Global Wholesale	1,307	1,374	3,979	4,230
Other	119	109	366	321
Total Wireline	9,324	9,389	28,113	28,108
Total segments	31,131	29,763	92,224	87,930
Corporate, eliminations and other	455	516	1,663	1,555
Total consolidated – reported	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Intersegment Revenues				
Wireless	$ 28	$ 25	$ 86	$ 76
Wireline	252	268	756	804
Total segments	280	293	842	880
Corporate, eliminations and other	(280)	(293)	(842)	(880)
Total consolidated – reported	$ -	$ -	$ -	$ -
Total Operating Revenues				
Wireless	$ 21,835	$ 20,399	$ 64,197	$ 59,898
Wireline	9,576	9,657	28,869	28,912
Total segments	31,411	30,056	93,066	88,810
Reconciling items	175	223	821	675
Total consolidated – reported	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Operating Income				
Wireless	$ 6,955	$ 6,886	$ 21,258	$ 19,768
Wireline	225	147	619	216
Total segments	7,180	7,033	21,877	19,984
Reconciling items	(290)	95	(142)	(79)
Total consolidated – reported	$ 6,890	$ 7,128	$ 21,735	$ 19,905

(dollars in millions)	At September 30, 2014	At December 31, 2013
Assets		
Wireless	$ 158,443	$ 146,429
Wireline	80,135	84,573
Total segments	238,578	231,002
Corporate, eliminations and other	(12,285)	43,096
Total consolidated – reported	$ 226,293	$ 274,098

Corporate, eliminations and other at December 31, 2013 is primarily comprised of cash and cash equivalents which were used to complete the Wireless Transaction on February 21, 2014.

A reconciliation of the segment operating revenues to consolidated operating revenues is as follows:

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Total segment operating revenues	$ 31,411	$ 30,056	$ 93,066	$ 88,810
Impact of divested operations (Note 2)	-	157	256	466
Corporate, eliminations and other	175	66	565	209
Total consolidated operating revenues	$ 31,586	$ 30,279	$ 93,887	$ 89,485

A reconciliation of the total of the reportable segments' operating income to consolidated income before provision for income taxes is as follows:

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Total segment operating income	$ 7,180	$ 7,033	$ 21,877	$ 19,984
Gain on spectrum license transactions (Note 3)	-	278	707	278
Pension remeasurement (Note 8)	-	-	-	237
Impact of divested operations (Note 2)	-	8	12	26
Corporate, eliminations and other	(290)	(191)	(861)	(620)
Total consolidated operating income	6,890	7,128	21,735	19,905
Equity in earnings (losses) of unconsolidated businesses	(48)	19	1,811	134
Other income and (expense), net	71	20	(757)	84
Interest expense	(1,255)	(555)	(3,633)	(1,606)
Income Before Provision For Income Taxes	$ 5,658	$ 6,612	$ 19,156	$ 18,517

We generally account for intersegment sales of products and services and asset transfers at current market prices. No single customer accounted for more than 10% of our total operating revenues during the three and nine months ended September 30, 2014 and 2013.

11 Commitments and Contingencies

In the ordinary course of business, Verizon is involved in various commercial litigation and regulatory proceedings at the state and federal level. Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Company establishes an accrual. In none of the currently pending matters is the amount of accrual material. An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings, including (1) uncertain damage theories and demands, (2) a lack of sufficient factual record, (3) uncertainty concerning legal theories and their resolution by courts or regulators, and (4) the unpredictable nature of the opposing party and its demands. We continuously monitor these proceedings as

they develop and adjust any accrual or disclosure as needed. We do not expect that the ultimate resolution of any pending regulatory or legal matter in future periods, including the Hicksville matter described below, will have a material effect on our financial condition, but it could have a material effect on our results of operations for a given reporting period.

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s. Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted. A reassessment of costs related to remediation efforts at several other former facilities was also undertaken. In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program. This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon. To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made. Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation.

Verizon is currently involved in approximately 30 federal district court actions alleging that Verizon is infringing various patents. Most of these cases are brought by non-practicing entities and effectively seek only monetary damages. A small number are brought by companies that have sold products and seek injunctive relief as well. These cases have progressed to various stages and a small number may go to trial in the coming 12 months if they are not otherwise resolved.

In connection with the execution of agreements for the sales of businesses and investments, Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters, such as ownership of the securities being sold, as well as indemnity from certain financial losses. From time to time, counterparties may make claims under these provisions, and Verizon will seek to defend against those claims and resolve them in the ordinary course of business.

Subsequent to the sale of Verizon Information Services Canada in 2004, we continue to provide a guarantee to publish directories, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions). The pre-existing guarantee continues without modification, despite the subsequent sale of Verizon Information Services Canada and the spin-off of our domestic print and Internet yellow pages directories business. The possible financial impact of the guarantee, which is not expected to be adverse, cannot be reasonably estimated as a variety of the potential outcomes available under the guarantee result in costs and revenues or benefits that may offset each other. We do not believe performance under the guarantee is likely.

Verizon Communications Inc. (Verizon or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies. With a presence in over 150 countries around the world, we offer voice, data and video services and solutions on our wireless and wireline networks that are designed to meet customers' demand for mobility, reliable network connectivity, security and control. We have two reportable segments, Wireless and Wireline. Our wireless business, operating as Verizon Wireless, provides voice and data services and equipment sales across the United States using one of the most extensive and reliable wireless networks. Our wireline business provides consumer, business and government customers with communications products and services, including broadband data and video services, network access, voice, long distance and other communications products and services, and also owns and operates one of the most expansive end-to-end global Internet Protocol (IP) networks. We have a highly skilled, diverse and dedicated workforce of approximately 178,500 employees as of September 30, 2014.

In recent years, Verizon has embarked upon a strategic transformation as advances in technology have changed the ways that our customers interact in their personal and professional lives and that businesses operate. To meet the changing needs of our customers and address the changing technological landscape, we are focusing our efforts around higher margin and growing areas of our business: wireless data, wireline data and Strategic services, including cloud computing services.

Our strategy requires significant capital investments primarily to acquire wireless spectrum, put the spectrum into service, provide additional capacity for growth in our wireless and wireline networks, invest in the fiber optic network that supports our wireless and wireline businesses, maintain our wireless and wireline networks and develop and maintain significant advanced information technology systems and data system capabilities. We believe that steady and consistent investments in networks and platforms will drive innovative products and services and fuel our growth. Our wireless and wireline networks will continue to be the hallmark of our brand and provide the fundamental strength upon which we build our competitive advantage.

On February 21, 2014, we completed the acquisition of Vodafone Group Plc's (Vodafone) indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless for aggregate consideration of approximately $130 billion (the Wireless Transaction). The consideration paid was primarily comprised of cash of approximately $58.89 billion and Verizon common stock with a value of approximately $61.3 billion. See "Acquisitions and Divestitures" for additional information.

In our Wireless business, during the three months ended September 30, 2014 compared to the similar period in 2013, revenue growth of 7.0% was driven by service revenue growth of 4.8% as the demand for fourth-generation (4G) Long-Term Evolution (LTE) smartphones and tablets continues. Also contributing to the increase in Wireless revenue was equipment revenue growth of 28.9% driven by higher sales of equipment under both the traditional subsidy model and Verizon Edge. At September 30, 2014, retail postpaid connections were 5.2% higher than at September 30, 2013, with smartphones representing 77% of our retail postpaid phone base at September 30, 2014 compared to 67% at September 30, 2013. Also during the three months ended September 30, 2014, postpaid smartphone activations represented 91% of phones activated compared to 85% in the similar period in 2013.

Now that we have substantially completed the deployment of our 4G LTE network, we are focusing the capital spending in our Wireless business on adding capacity and density to our existing 4G LTE network. Our 4G LTE network is available to approximately 98% of the U.S. population in more than 500 markets and covering approximately 308 million people, including those in areas served by our LTE in Rural America partners. Our 4G LTE network provides higher data throughput performance for data services at lower cost compared to those provided via third-generation (3G) networks. In May 2014, we announced the deployment of Advanced Wireless Services (AWS) spectrum in our 4G LTE network. This additional bandwidth, which we refer to as XLTE, provides additional network capacity and is currently available in more than 400 markets. Nearly all of the devices Verizon Wireless currently sells can operate on XLTE. Nearly 79% of our total data traffic in September 2014 was carried on our 4G LTE network.

On February 13, 2014, we introduced our More Everything ® plans which replaced our Share Everything ® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among multiple devices connected to the Verizon Wireless network. As of September 30, 2014, More Everything accounts represented approximately 57% of our retail postpaid accounts compared to Share Everything plans representing approximately 41% of our retail postpaid accounts as of September 30, 2013. Verizon Wireless offers shared data plans for business, with More Everything plans for Small business and the Nationwide Business Data Packages and Plans.

In our Wireline business, revenues declined 0.8% during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to revenue declines in Global Enterprise Core and Global Wholesale. These decreases were partially offset by revenue increases in Consumer retail driven by FiOS. FiOS represented approximately 76% of Consumer retail revenue during the three months ended September 30, 2014 compared to approximately 71% during the similar period in 2013. As the penetration of FiOS products increases, we continue to seek ways to increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are developed for this high-speed service, we expect that FiOS will become a hub for managing multiple home services that will eventually be part of the digital grid, including not just entertainment and communications, but also machine-to-machine communications, such as home monitoring, health monitoring, energy management and utilities management.

We continue to enrich the customer value proposition and drive investment returns by creating new and innovative services on our FiOS platform. During 2014, Verizon announced the introduction of FiOS Quantum TV, which provides FiOS TV customers with new features including the ability to record up to 12 shows at once and control live TV from any room in their home. This new service is now available everywhere that FiOS TV is offered. With our FiOS Quantum broadband service, residential and small business customers can achieve symmetrical upload and download speeds up to 500 megabytes per second, which we refer to as SpeedMatch™.

Also in our Wireline business, total Global Enterprise and Global Wholesale revenues decreased due to declines in core services primarily as a result of lower voice services and data networking revenues as well as the contraction of market rates due to competition. To compensate for the shrinking market for traditional voice service, we continue to build our Wireline segment around data, video and advanced business services – areas where demand for reliable, high-speed connections is growing. During the three months ended September 30, 2014, Strategic services revenues totaled $2.1 billion and represented 61% of total Global Enterprise revenues.

We are investing in innovative technology like wireless networks, high-speed fiber and cloud services to position ourselves at the center of growth trends of the future. During the nine months ended September 30, 2014, these investments included capital expenditures of $12.6 billion, acquisitions of wireless licenses of $0.3 billion and acquisitions of investments and businesses of $0.2 billion. During the nine months ended September 30, 2014, we also completed spectrum license transactions and, as a result, we received proceeds of $2.4 billion. See "Cash Flows Used in Investing Activities" and "Acquisitions and Divestitures" for additional information.

By investing in our own capabilities, we are also investing in the markets we serve by providing our communities with an efficient, reliable infrastructure for competing in the information economy. We are committed to putting our customers first and being a responsible member of our communities. Guided by this commitment and by our core values of integrity, respect, performance excellence and accountability, we believe we are well-positioned to produce a long-term return for our shareowners, create meaningful work for ourselves and provide something of lasting value for society.

Trends

We expect the activation of devices on Verizon Edge to contribute positively to our consolidated operating income and our Wireless segment operating income. As more customers adopt Verizon Edge, we expect retail postpaid ARPA (the average revenue per account from retail postpaid accounts) and service revenue to continue to be negatively impacted, and we expect equipment and other revenue to continue to be positively impacted.

There have been no significant changes to the information related to trends affecting our business that was disclosed in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013, except to the extent described above.

In this section, we discuss our overall results of operations and highlight items of a non-operational nature that are not included in our segment results. We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. In "Segment Results of Operations," we review the performance of our two reportable segments.

On February 21, 2014, we completed the acquisition of Vodafone's indirect 45% interest in Verizon Wireless. As a result, our results reflect our 55% ownership of Verizon Wireless through the closing of the Wireless Transaction and reflect our full ownership of Verizon Wireless from the closing of the Wireless Transaction through September 30, 2014.

Corporate eliminations and other includes unallocated corporate expenses such as certain pension and other employee benefit related costs, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, lease financing, as well as the historical results of divested operations and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance. We believe that this presentation assists users of our financial statements in better understanding our results of operations and trends from period to period. Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate eliminations and other. The impact of this reclassification was not material to our condensed consolidated financial statements or our segment results of operations.

On July 1, 2014, our Wireline segment divested a non-strategic business (see "Acquisitions and Divestitures"). Accordingly, the historical Wireline results for these operations, which were not material to our condensed consolidated financial statements or our segment results of operations, have been reclassified to Corporate eliminations and other to reflect comparable segment operating results. The results of operations related to this divestiture included within Corporate eliminations and other are as follows:

(dollars in millions)	Three Months Ended September 30 2014	2013	Nine Months Ended September 30, 2014	2013
Impact of Divested Operations				
Operating revenues	$ –	$ 157	$ 256	$ 466
Cost of services and sales	–	142	239	423
Selling, general and administrative expense	–	7	2	17

Consolidated Revenues

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30 2014	2013	Increase/ (Decrease)	
Wireless								
Service revenue	$ 18,356	$ 17,516	$ 840	4.8%	$ 54,421	$ 51,422	$ 2,999	5.8%
Equipment and other	3,479	2,883	596	20.7	9,776	8,576	1,200	14.0
Total	21,835	20,399	1,436	7.0	64,197	59,998	4,199	7.2
Wireline								
Mass Markets	4,515	4,374	141	3.2	13,404	12,932	522	4.1
Global Enterprise	3,384	3,539	(155)	(4.4)	10,313	10,629	(536)	(5.3)
Global Wholesale	1,552	1,631	(79)	(4.8)	4,713	4,992	(279)	(5.6)
Other	125	113	12	10.6	379	339	40	11.8
Total	9,576	9,657	(81)	(0.8)	28,809	28,932	(13)	(0.1)
Corporate eliminations and other	175	223	(48)	(21.5)	831	675	156	23.0
Consolidated Revenues	$ 31,586	$ 30,279	$ 1,307	4.3	$ 93,837	$ 89,435	$ 4,402	4.9

The increase in consolidated revenues during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily due to higher revenues at Wireless as well as higher Mass Markets revenues driven by FiOS services at our Wireline segment. Partially offsetting these increases were lower Global Enterprise and Global Wholesale revenues at our Wireline segment.

Wireless' revenues increased $1.4 billion or 7.0%, and $4.3 billion or 7.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 due to growth in service revenue and equipment and other revenue. The increase in service revenue during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of 4G LTE smartphones and tablets through our More Everything plans. Equipment and other revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in equipment sales driven by sales of equipment under both the traditional subsidy model and Verizon Edge. During the three and nine months ended September 30, 2014, retail postpaid connection net additions increased compared to the similar periods in 2013 primarily due to an increase in retail postpaid connection gross additions, partially offset by an increase in our retail postpaid connection churn rate. Retail postpaid connections per account increased as of September 30, 2014 compared to September 30, 2013 primarily due to the increased penetration of tablets.

Wireline's revenues decreased 0.8% and 0.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of declines in Global Enterprise Core and Global Wholesale, partially offset by higher Mass Market revenues driven by FiOS services. During the nine months ended September 30, 2014, the decrease in Wireline's revenues was also partially offset by increased Strategic service revenues within Global Enterprise.

Mass Markets revenues increased $0.1 billion or 3.2% and $0.5 billion or 4.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the expansion of FiOS services (Voice, Internet and Video), including our FiOS Quantum offerings, as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased $0.2 billion or 4.4%, and $0.3 billion or 3.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to lower voice services and data networking revenues, the contraction of market rates due to competition and a decline in Core customer premise equipment revenues. This decrease during the nine months ended September 30, 2014 was partially offset by increases in Strategic services revenues, primarily due to increases in our application services, such as our cloud and data center offerings.

Global Wholesale revenues decreased $0.1 billion or 4.8%, and $0.3 billion or 5.6%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline in traditional voice revenues and a decline in domestic wholesale connections, partially offset by Ethernet migrations from core customers as well as continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities.

Consolidated Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 12,252	$ 10,960	$ 1,292	11.8%	$ 35,528	$ 32,925	$ 2,603	7.9%
Selling, general and administrative expense	8,277	8,037	240	3.0	24,159	24,232	(73)	(0.3)
Depreciation and amortization expense	4,167	4,154	13	0.3	12,465	12,423	42	0.3
Consolidated Operating Expenses	$ 24,696	$ 23,151	$ 1,545	6.7	$ 72,152	$ 69,580	$ 2,572	3.7

Cost of Services and Sales

Cost of services and sales increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in cost of equipment sales of $1.4 billion and $2.7 billion, respectively, at our Wireless segment as a result of an increase in the number of devices sold.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to gains recorded during the third quarter of 2013 related to the completion of wireless license transactions. Partially offsetting this increase was a decline in sales commission expense at our Wireless segment.

Selling, general and administrative expense decreased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to larger gains recorded during 2014 related to the completion of wireless license transactions, as compared to gains recorded during 2013 related to the completion of wireless license transactions, partially offset by a pension remeasurement credit recorded during 2013.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in net depreciable assets at our Wireless segment.

Non-operational Credits

Non-operational credits included in operating expenses were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Gain on spectrum license transactions	$ –	$ 278	$ 707	$ 278
Pension remeasurement	–	–	–	237

See "Other Items" for a description of non-operational items.

Consolidated Operating Income and EBITDA

Consolidated earnings before interest, taxes, depreciation and amortization expenses (Consolidated EBITDA) and Consolidated Adjusted EBITDA, which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years as well as in evaluating operating performance in relation to our competitors. Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in earnings (losses) of unconsolidated businesses and other income and (expense), net to net income.

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items and the impact of divested operations from the calculation of Consolidated EBITDA. Management believes that this measure provides additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. See "Other Items" for additional details regarding these non-operational items.

Operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates will be updated in the fourth quarter or upon a remeasurement event to reflect actual return on plan assets and updated actuarial assumptions. The adjustment will be recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses. These remeasurements could result in significant charges or credits to one or more of our pension plans.

During the second quarter of 2013, we recorded pension remeasurements in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur. During the third quarter of 2013, as a result of the previously recorded settlements, we performed a pension remeasurement, which was not material.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Consolidated Operating Income	$ 6,890	$ 7,128	$ 21,735	$ 19,905
Add Depreciation and amortization expense	4,167	4,154	12,465	12,423
Consolidated EBITDA	$ 11,057	$ 11,282	$ 34,200	$ 32,328
Less Gain on spectrum license transactions	–	(278)	(707)	(278)
Less Pension remeasurement	–	–	–	(237)
Less Impact of divested operations		(8)	(12)	(76)
Consolidated Adjusted EBITDA	$ 11,057	$ 10,996	$ 33,481	$ 31,787

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were a result of the factors described in connection with operating revenues and operating expenses.

Other Consolidated Results

Equity in Earnings (Losses) of Unconsolidated Businesses

Equity in earnings (losses) of unconsolidated businesses decreased $0.1 billion during the three months ended September 30, 2014, compared to the similar period in 2013, primarily due to the sale of our interest in Vodafone Omnitel N.V. (Vodafone Omnitel) during the first quarter of 2014, which was part of the consideration for the Wireless Transaction.

Equity in earnings (losses) of unconsolidated businesses increased $1.7 billion during the nine months ended September 30, 2014, compared to the similar period in 2013, primarily due to the gain of $1.9 billion recorded on the sale of our interest in Vodafone Omnitel during the first quarter of 2014.

Other Income and (Expense), Net

Additional information relating to Other income and (expense), net is as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Interest income	$ 28	$ 14	$ 14	100.0%	$ 72	$ 41	$ 31	75.6%
Other, net	43	6	37	nm	(829)	43	(872)	nm
Total	$ 71	$ 20	$ 51	nm	$ (757)	$ 84	$ (841)	nm

nm – not meaningful

Other income and (expense), net decreased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to net early debt redemption costs of $0.9 billion recorded during the first quarter of 2014 (see "Other Items").

Interest Expense

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Total interest costs on debt balances	$ 1,331	$ 745	$ 586	78.7%	$ 3,957	$ 2,159	$ 1,798	83.3%
Less capitalized interest costs	76	190	(114)	(60.0)	324	553	(229)	(41.4)
Total	$ 1,255	$ 555	$ 700	nm	$ 3,633	$ 1,606	$ 2,027	nm
Average debt outstanding	$ 109,503	$ 56,636			$ 107,034	$ 54,524		
Effective interest rate	4.9%	5.3%			4.9%	5.3%		

nm – not meaningful

Total interest costs on debt balances increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the issuance of fixed and floating rate notes to finance the Wireless Transaction (see "Acquisitions and Divestitures") resulting in an increase in average debt and a corresponding increase in interest expense, partially offset by a lower effective interest rate (see "Consolidated Financial Condition"). Capitalized interest costs were lower during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decrease in wireless licenses that are currently under development.

Provision for Income Taxes

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Provision for income taxes	$ 1,864	$ 1,034	$ 830	80.3%	$ 5,052	$ 2,886	$ 2,166	75.1%
Effective income tax rate	32.9%	15.6%			26.4%	15.6%		

The effective income tax rate is calculated by dividing the provision for income taxes by income before the provision for income taxes. As a result of the completion of the Wireless Transaction, the difference in the effective income tax rate as compared to the statutory federal income tax rate will no longer be significant due to the inclusion of income within our income before the provision for income taxes that was previously attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership. Prior to the completion of the Wireless Transaction, our annual effective income tax rate was significantly lower than the statutory federal income tax rate due to the inclusion of income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership within our income before the provision for income taxes, which resulted in our effective income tax rate being 16.1 and 15.4 percentage points lower during the three and nine months ended September 30, 2013, respectively.

The increase in the provision for income taxes and the effective income tax rate during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 is primarily due to increased income taxes on the incremental income included in Verizon's post-acquisition income before the provision for income taxes resulting from the acquisition of Vodafone's indirect 45% interest in Verizon Wireless on February 21, 2014. The increase during the nine months ended September 30, 2014 compared to the similar period in 2013 was partially offset by the utilization of certain tax credits in the current period.

Unrecognized Tax Benefits

Unrecognized tax benefits were $1.8 billion at September 30, 2014 and $2.1 billion at December 31, 2013. Interest and penalties related to unrecognized tax benefits were $0.2 billion (after-tax) and $0.3 billion (after-tax) at September 30, 2014 and December 31, 2013, respectively. The decrease in unrecognized tax benefits was primarily due to the resolution of issues with the Internal Revenue Service (IRS) involving tax years 2007 through 2009, partially offset by an increase in unrecognized tax benefits related to the acquisition of Vodafone's indirect 45% interest in Verizon Wireless. The uncertain tax benefits related to the acquisition of Vodafone's indirect 45% interest in Verizon Wireless concern pre-acquisition tax controversies and are the subject of an indemnity from Vodafone for which a corresponding indemnity asset has been established.

Verizon and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state, local and foreign jurisdictions. As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions for various open tax years. Significant tax examinations and litigation are ongoing in New York City for tax years as early as 2000. It is reasonably possible that the amount of the liability for unrecognized tax benefits could change by a significant amount in the next twelve months. An estimate of the range of the possible change cannot be made until these tax matters are further developed or resolved.

Net Income Attributable to Noncontrolling Interests

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Net income attributable to noncontrolling interests	$ 99	$ 3,346	$ (3,247)	(97.0)%	$ 2,248	$ 9,201	$ (6,953)	(75.6)%

The decrease in Net income attributable to noncontrolling interests during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily due to the completion of the Wireless Transaction on February 21, 2014. As a result, our results reflect our 55% ownership of Verizon Wireless through the closing of the Wireless Transaction and reflect our full ownership of Verizon Wireless from the closing of the Wireless Transaction through September 30, 2014. The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnership entities.

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income. The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance.

Segment earnings before interest, taxes, depreciation and amortization (Segment EBITDA), which is presented below, is a non-GAAP measure and does not purport to be an alternative to operating income as a measure of operating performance. Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income.

Wireless Segment EBITDA service margin, also presented below, is calculated by dividing Wireless Segment EBITDA by Wireless service revenues. Wireless Segment EBITDA service margin utilizes service revenues rather than total revenues. Service revenues primarily exclude equipment revenues in order to reflect the impact of providing service to the wireless customer base on an ongoing basis. Wireline EBITDA margin is calculated by dividing Wireline EBITDA by total Wireline revenues.

Wireless

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership was formed as a joint venture in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. Prior to the completion of the Wireless Transaction, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, the Wireless Transaction was completed and Verizon acquired 100% ownership of Verizon Wireless. Verizon Wireless provides wireless communications services across one of the most extensive wireless networks in the United States.

We provide these services and equipment sales to consumer, business and government customers in the United States on a postpaid and prepaid basis. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance, and usage beyond the allowances is billed monthly in arrears. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

Operating Revenues and Selected Operating Statistics

(dollars in millions, except ARPA)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Retail service	$ 17,556	$ 16,776	$ 780	4.6%	$ 52,090	$ 49,367	$ 2,723	5.5%
Other service	800	740	60	8.1	2,331	1,955	376	19.2
Service revenue	18,356	17,516	840	4.8	54,421	51,322	3,099	6.0
Equipment	2,480	1,924	556	28.9	6,737	5,690	1,047	18.4
Other	999	959	40	4.2	3,029	2,886	153	5.3
Equipment and other	3,479	2,883	596	20.7	9,776	8,576	1,200	14.0
Total Operating Revenues	$ 21,835	$ 20,399	$ 1,436	7.0	$ 64,197	$ 59,898	$ 4,299	7.2
Connections (000) [1]								
Retail connections					106,156	101,150	5,006	4.9
Retail postpaid connections					100,103	95,185	4,918	5.2
Net additions in period (000) [2]								
Retail connections	1,525	1,061	464	43.7	3,501	2,819	682	24.2
Retail postpaid connections	1,516	927	589	63.5	3,496	2,545	951	37.4
Churn Rate								
Retail connections	1.29%	1.26%			1.30%	1.22%		
Retail postpaid connections	1.00%	0.97%			1.00%	0.92%		
Account Statistics								
Retail postpaid ARPA	$ 161.24	$ 155.74	$ 5.50	3.5	$ 160.21	$ 152.84	$ 7.37	4.8
Retail postpaid accounts (000) [1]					35,135	33,972	463	1.3
Retail postpaid connections per account [1]					2.82	2.72	0.10	3.7

[1] As of end of period.
[2] Excluding acquisitions and adjustments.

Wireless total operating revenues increased by $1.4 billion or 7.0% and $4.3 billion or 7.2% respectively during the three and nine months ended September 30, 2014 as compared to the similar periods in 2013 primarily as a result of growth in service revenue and equipment revenue.

Accounts and Connections

Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Accounts include More Everything plans and corporate accounts, as well as legacy single connection plans and family plans. A single account may receive monthly wireless services for a variety of connected devices. Retail connections represent our retail customer device connections. Churn is the rate at which service to connections is terminated.

Retail connections under an account may include smartphones, basic phones, tablets and other Internet devices as well as Home Phone Connect and Home Fusion. We expect to continue to experience retail connection growth based on network service quality and the strength of our product offerings. Retail postpaid connection net additions increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in retail postpaid connection gross additions, partially offset by an increase in our retail postpaid connection churn rate. Higher retail postpaid connection gross additions were driven by gross additions of tablets as well as smartphones. During the three and nine months ended September 30, 2014, our retail postpaid connection net additions included approximately 1,074 million and 2.858 million tablets, respectively, as compared to 246 thousand and 824 thousand tablets, respectively, in the similar periods in 2013.

Retail Postpaid Connections per Account

Retail postpaid connections per account is calculated by dividing the total number of retail postpaid connections by the number of retail postpaid accounts as of the end of the period. Retail postpaid connections per account increased 3.7% as of September 30, 2014 compared to September 30, 2013, primarily due to the increased penetration of tablets.

Service Revenue

Service revenue increased by $0.8 billion or 4.8% and $3.1 billion or 6.0% respectively during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of 4G LTE smartphones and tablets through our More Everything plans. The penetration of 4G LTE smartphones was driven by the activation of smartphones by new customers as well as existing customers migrating from basic phones and 3G smartphones to 4G LTE smartphones.

The increase in retail postpaid ARPA, which excludes recurring equipment installment billings related to Verizon Edge, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. As of September 30, 2014, we experienced a 3.7% increase in retail postpaid connections per account compared to September 30, 2013, with smartphones representing 77% of our retail postpaid phone base as of September 30, 2014 compared to 67% as of September 30, 2013. The increased penetration in retail postpaid connections per account is primarily due to increases in Internet data devices, which represented 13.1% of our retail postpaid connection base as of September 30, 2014 compared to 10.2% as of September 30, 2013, primarily due to tablet activations. Additionally, during the nine months ended September 30, 2014, postpaid smartphone activations represented 91% of phones activated compared to 85% in the similar period in 2013.

Other service revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 due to growth in wholesale connections.

Equipment and Other Revenue

Equipment and other revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in equipment sales, driven by sales of equipment under both the traditional subsidy model and Verizon Edge.

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 7,043	$ 5,652	$ 1,391	24.6%	$ 19,641	$ 17,102	$ 2,539	14.8%
Selling, general and administrative expense	5,698	5,801	(103)	(1.8)	16,991	16,915	76	0.4
Depreciation and amortization expense	2,139	2,060	79	3.8	6,307	6,113	194	3.2
Total Operating Expenses	$ 14,880	$ 13,513	$ 1,367	10.1	$ 42,939	$ 40,130	$ 2,809	7.0

Cost of Services and Sales

Cost of services and sales increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in cost of equipment sales of $1.4 billion and $2.7 billion, respectively, as a result of an increase in the number of devices sold. The increase for the nine months ended September 30, 2014 was also due to an increase in cost of network services, partially offset by a decrease in cost of data services and decreased data roaming.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to a decline of $0.1 billion in sales commission expense largely driven by the adoption of Verizon Edge.

Selling, general and administrative expense increased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to higher advertising expense and gains recorded in the first quarter of 2013 related to wireless license exchange agreements, partially offset by lower salary expense and a decline of $0.2 billion in sales commission expense.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily driven by an increase in net depreciable assets.

Segment Operating Income and EBITDA

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Segment Operating Income	$ 6,955	$ 6,886	$ 69	1.0%	$ 21,258	$ 19,768	$ 1,490	7.5%
Add Depreciation and amortization expense	2,139	2,060	79	3.8	6,307	6,113	194	3.2
Segment EBITDA	$ 9,094	$ 8,946	$ 148	1.7	$ 27,565	$ 25,881	$ 1,684	6.5
Segment operating income margin	51.9%	53.8%			53.1%	53.0%		
Segment EBITDA service margin	67.9%	69.9%			68.9%	69.4%		

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-operational items excluded from our Wireless segment Operating income were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Gain on spectrum license transactions	$ -	$ 276	$ 707	$ 276

Wireline

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

On July 1, 2014, our Wireline segment divested a non-strategic business (see "Acquisitions and Divestitures"). Accordingly, the historical Wireline results for these operations have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results.

Operating Revenues and Selected Operating Statistics

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Consumer retail	$ 3,902	$ 3,735	$ 167	4.5%	$ 11,606	$ 11,020	$ 586	5.3%
Small business	613	639	(26)	(4.1)	1,858	1,912	(54)	(2.8)
Mass Markets	4,515	4,374	141	3.2	13,464	12,932	532	4.1
Strategic services	2,068	2,048	20	1.0	6,214	6,059	155	2.6
Core	1,316	1,491	(175)	(11.7)	4,099	4,590	(491)	(10.7)
Global Enterprise	3,384	3,539	(155)	(4.4)	10,313	10,649	(336)	(3.2)
Global Wholesale	1,552	1,631	(79)	(4.8)	4,713	4,992	(279)	(5.6)
Other	125	113	12	10.6	379	339	40	11.8
Total Operating Revenues	$ 9,576	$ 9,657	$ (81)	(0.8)	$ 28,869	$ 28,912	$ (43)	(0.1)
Connections ('000) [1]								
Total voice connections					20,089	21,457	(1,368)	(6.4)
Total Broadband connections					9,146	8,995	151	1.7
FiOS Internet subscribers					6,471	5,946	525	8.8
FiOS Video subscribers					5,533	5,170	363	7.0

[1] As of end of period.

Wireline's revenues decreased 0.8% and 0.1% respectively during the three and nine months ended September 30, 2014 compared to the similar periods in 2013, primarily as a result of declines in Global Enterprise, Core and Global Wholesale, partially offset by higher Consumer retail revenues driven by FiOS services. During the nine months ended September 30, 2014, the decrease in Wireline's revenues was also partially offset by increased Strategic services revenues within Global Enterprise.

Mass Markets

Mass Markets operations provide broadband services (including high-speed internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers.

Mass Markets revenues increased $0.1 billion or 3.2% and $0.5 billion or 4.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013, primarily due to the expansion of FiOS services (Voice, Internet and Video), including our FiOS Quantum offerings, as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues. FiOS represented approximately 76% and 75% respectively, of Consumer retail revenue during the three and nine months ended September 30, 2014, compared to approximately 71% and 70% respectively, during the similar periods in 2013.

Since October 1, 2013, we grew our subscriber base by 0.5 million FiOS Internet subscribers and 0.4 million FiOS Video subscribers, while also consistently improving penetration rates within our FiOS service areas. As of September 30, 2014 we achieved penetration rates of 40.6% and 35.5% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 39.2% and 34.9% for FiOS Internet and FiOS Video, respectively, as of September 30, 2013.

The increase in Mass Markets revenues was partially offset by the decline of local exchange revenues. This decline was primarily due to a 5.9% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, and competing voice over IP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections, primarily reflecting competition and a shift to both IP and high-speed circuits.

Global Enterprise

Global Enterprise offers Strategic services including network products and solutions, advanced communications services, and other core communications services to medium and large business customers, multinational corporations and state and federal government customers.

Global Enterprise revenues decreased $0.2 billion or 4.4%, and $0.3 billion or 3.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline of $0.1 billion or 11.9% and $0.4 billion or 11.5%, respectively, related to lower voice services and data networking revenues, which consist of traditional circuit-based services such as frame relay, private line and legacy voice and data services. These core services declined compared to the similar periods in 2013 as our customer base continued to migrate to next generation IP services. Also contributing to the decrease was the contraction of market rates due to competition and a decline in Core customer premise equipment revenues. The *decrease during the nine months ended September 30, 2014 compared to the similar period in 2013 was partially offset by an* increase in Strategic services revenues of $0.2 billion, or 2.6%, primarily due to increases in our application services, such as our cloud and data center offerings.

Global Wholesale

Global Wholesale provides communications services including data, voice and local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers.

Global Wholesale revenues decreased $0.1 billion or 4.8% and $0.3 billion or 5.6%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline in traditional voice revenues and a 6.5% decline in domestic wholesale connections as of September 30, 2014 compared to September 30, 2013. The traditional voice revenue declines are primarily due to a decrease in minutes of use and the effect of technology substitution. Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenues were Ethernet migrations from core customers as well as continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities. As a result of the customer migrations, at September 30, 2014, the number of core data circuits experienced a 13.7% decline compared to September 30, 2013.

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 5,325	$ 5,342	$ (17)	(0.3)%	$ 16,006	$ 15,925	$ 81	0.5%
Selling, general and administrative expense	2,048	2,094	(46)	(2.2)	6,228	6,517	(289)	(4.4)
Depreciation and amortization expense	1,978	2,074	(96)	(4.6)	6,016	6,254	(238)	(3.8)
Total Operating Expenses	$ 9,351	$ 9,510	$ (159)	(1.7)	$ 28,250	$ 28,696	$ (446)	(1.6)

Cost of Services and Sales

During the three months ended September 30, 2014, Cost of services and sales decreased compared to the similar period in 2013 primarily due to a decrease in employee costs and a decline in access costs, driven by declines in overall wholesale long distance volumes, which were partially offset by an increase in content costs of $0.1 billion associated with continued FiOS subscriber growth and programming license fee increases.

During the nine months ended September 30, 2014, Cost of services and sales increased compared to the similar period in 2013 primarily due to an increase in content costs of $0.3 billion associated with continued FiOS subscriber growth and programming license fee increases, *partially offset by a decline in employee costs and access costs, driven by declines in overall wholesale long* distance volumes.

Selling, General and Administrative Expense

During the three months ended September 30, 2014, Selling, general and administrative expense was consistent with the similar period in 2013. During the nine months ended September 30, 2014, Selling, general and administrative expense decreased compared to the similar period in 2013 primarily due to declines in employee costs, primarily as a result of lower headcount. This decrease was partially offset by higher regulatory expenses.

Depreciation and Amortization Expense

During the three and nine months ended September 30, 2014, Depreciation and amortization expense decreased compared to the similar periods in 2013 primarily due to a decrease in net depreciable assets.

Segment Operating Income and EBITDA

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Segment Operating Income	$ 225	$ 147	$ 78	53.1%	$ 619	$ 216	$ 403	nm
Add Depreciation and amortization expense	1,978	2,074	(96)	(4.6)	6,016	6,254	(238)	(3.8)%
Segment EBITDA	$ 2,203	$ 2,221	$ (18)	(0.8)	$ 6,635	$ 6,470	$ 165	2.6
Segment operating income margin	2.3%	1.5%			2.1%	0.7%		
Segment EBITDA margin	23.0%	23.0%			23.0%	22.4%		

nm – not meaningful

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-operational items excluded from our Wireline segment Operating income were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Impact of divested operations	$ –	$ 8	$ 12	$ 26

Gain on Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA, Inc. (T-Mobile USA) to exchange certain AWS and Personal Communication Services (PCS) licenses. The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these exchanges, we received $0.9 billion of AWS and PCS *spectrum licenses at fair value and we recorded an immaterial gain.*

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses. As a result, we received $2.6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pretax gain of approximately $0.7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014.

During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T Inc. (AT&T) in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pretax gain of approximately $0.3 billion in Selling, general and administrative expense on our condensed consolidated statements of income for the three and nine months ended September 30, 2013.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See Consolidated Results of Operations) excludes the gain on the spectrum license transactions described above.

Wireless Transaction Costs

As a result of the third-party indebtedness incurred to finance the Wireless Transaction, we incurred interest expense of $0.4 billion during the nine months ended September 30, 2014 (see "Consolidated Financial Condition") and $0.1 billion during the nine months ended September 30, 2013.

These amounts represent only the interest expense incurred prior to the closing of the Wireless Transaction.

Impact of Divested Operations

On July 1, 2014, we sold a non-strategic Wireline business, which provides communications solutions to a variety of government agencies.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the historical financial results of the divested operations described above.

Gain on Sale of Ommitel Interest

As a result of the sale of the Ommitel Interest on February 21, 2013, which was part of the consideration for the Wireless Transaction, we recorded a gain of $1.9 billion in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income for the nine months ended September 30, 2014.

Early Debt Redemption Costs

During March 2014, we recorded net debt redemption costs of $0.9 billion, in connection with the early redemption of $1.25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2028 and the purchase of the following notes pursuant to a tender offer: the Tender Offer $0.7 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 6.10% Notes due 2018, $0.5 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 5.50% Notes due 2018, $0.6 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 8.75%

Notes due 2018, $0.7 billion of the then outstanding $1.25 billion aggregate principal amount of Verizon 5.55% Notes due 2016, $0.4 billion of the then outstanding $0.75 billion aggregate principal amount of Verizon 5.50% Notes due 2017, $0.6 billion of the then outstanding $1.0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, $0.2 billion of the then outstanding $0.3 billion aggregate principal amount of Alltel Corporation 7.00% Debentures due 2016 and $0.3 billion of the then outstanding $0.6 billion aggregate principal amount of GTE Corporation 6.84% Debentures due 2018.

Pension Remeasurement

During the three and six months ended June 30, 2013, we recorded net pre-tax pension remeasurement credits of approximately $0.2 billion, in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur. The pension remeasurement credits relate to settlements for employees who received lump-sum distributions. The credits were primarily driven by an approximately 75 basis point increase in our discount rate assumption used to determine the current year liabilities of one of our pension plans. The change in discount rate resulted in a gain of $0.3 billion, partially offset by a loss resulting from the difference between our expected return on assets assumption of 7.5% at December 31, 2012 and our annualized actual return on assets of 7.2% at June 30, 2013, as well as other losses ($0.1 billion). Our weighted-average discount rate assumption increased from 4.2% at December 31, 2012 to 5.0% at June 30, 2013.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the pension remeasurement described above.

(dollars in millions)	Nine Months Ended September 30, 2014	2013	Change
Cash Flows Provided By (Used In)			
Operating activities	$ 23,157	$ 28,387	$ (5,230)
Investing activities	(10,430)	(10,023)	(407)
Financing activities	(59,037)	35,253	(94,290)
Increase (Decrease) In Cash and Cash Equivalents	$ (46,310)	$ 53,617	$ (99,927)

We use the net cash generated from our operations to fund network expansion and modernization, repay external financing, pay dividends and invest in new businesses. Our sources of funds primarily from operations and, to the extent necessary, from external financing arrangements, are sufficient to meet ongoing operating and investing requirements. The cash portion of the purchase price for the Wireless Transaction was primarily funded by the incurrence of third-party indebtedness (see "Acquisitions and Divestitures"). We expect that our capital spending requirements will continue to be financed primarily through internally generated funds. Debt or equity financing may be needed to fund additional investments or development activities or to maintain an appropriate capital structure to ensure our financial flexibility. Our cash and cash equivalents are primarily held domestically in diversified accounts and are invested to maintain principal and liquidity. Accordingly, we do not have significant exposure to foreign currency fluctuations. See "Market Risk" for additional information regarding our foreign currency risk management strategies.

Our available external financing arrangements include credit available under credit facilities and other bank lines of credit, vendor financing arrangements, issuances of registered debt or equity securities and privately-placed capital market securities. We may also issue short-term debt through an active commercial paper program and have an $8 billion credit facility to support such commercial paper issuances.

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations, primarily from our Wireless segment. Net cash provided by operating activities during the nine months ended September 30, 2014 decreased by $5.2 billion compared to the similar period in 2013 primarily due to a $3.2 billion increase in income tax payments due to the incremental income included in Verizon's income since the closing of the Wireless Transaction and the impact of bonus depreciation recorded in 2013. Also contributing to the decrease was a $2.5 billion increase in interest payments primarily due to the incremental debt needed to fund the Wireless Transaction as well as a $1.5 billion increase in pension contributions. The decline was partially offset by an increase in earnings at our Wireless segment.

On February 21, 2014, we completed the acquisition of Vodafone's indirect 45% interest in Verizon Wireless which, among other benefits discussed herein, also provides us full access to the cash flows of Verizon Wireless. Having full access to all the cash flows from our wireless business gives us the ability to continue to invest in our networks and spectrum, meet evolving customer requirements for products and services and take advantage of new growth opportunities across our lines of business.

We do not expect to make any material employer contributions to our qualified pension plans in the fourth quarter of 2014.

Cash Flows Used In Investing Activities

Capital Expenditures

Capital expenditures continue to be our primary use of capital resources as they facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency and productivity of our networks.

Capital expenditures, including capitalized software, were as follows:

(dollars in millions)	Nine Months Ended September 30, 2014	2013
Wireless	$ 7,808	$ 6,720
Wireline	4,194	4,467
Other	622	620
	$ 12,624	$ 11,807
Total as a percentage of revenue	13.4%	13.2%

The increase in capital expenditures during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily due to investments to increase the capacity of our 4G LTE network, partially offset by lower capital expenditures at Wireline as a result of decreased legacy spending requirements.

Acquisitions

In February 2014, Verizon acquired a business dedicated to the development of IP television for cash consideration that was not significant.

Dispositions

During the nine months ended September 30, 2014, we received proceeds of $2.4 billion related to spectrum license transactions and $0.1 billion related to the disposition of a non-strategic business. See "Acquisitions and Divestitures" for additional information.

Cash Flows Provided By (Used In) Financing Activities

We seek to maintain a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. During the nine months ended September 30, 2014 and 2013, net cash provided by (used in) financing activities was $(59.0) billion and $35.3 billion, respectively. The change in cash flows used in financing activities during the nine months ended September 30, 2014 as compared to the similar period in 2013 was primarily driven by the use of $58.89 billion as part of the consideration for the Wireless Transaction. See "Acquisitions and Divestitures" for additional information.

During February 2014, we issued $13.75 billion aggregate principal amount of 2.375% Notes due 2022, $3.25 billion aggregate principal amount of 3.25% Notes due 2026 and $0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $25.4 billion, net of discounts and issuance costs. The net proceeds were used in part to finance the Wireless Transaction. Net proceeds not used to finance the Wireless Transaction were used for general corporate purposes. Also during February 2014, we issued $0.5 billion aggregate principal amount of 5.90% Notes due 2054 resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes.

On March 10, 2014, we announced the commencement of the Tender Offer to purchase for cash any and all of the series of notes listed in the following table:

(dollars in millions, except for Purchase Price)	Interest Rate	Maturity	Principal Amount Outstanding	Purchase Price [1]	Principal Amount Purchased
Verizon Communications	6.10%	2018	$ 1,500	$ 1,170.07	$ 748
	5.50%	2018	1,500	1,146.91	763
	8.75%	2018	1,300	1,288.35	564
	5.55%	2016	1,250	1,093.62	652
	5.50%	2017	750	1,133.22	353
Cellco Partnership and Verizon Wireless Capital LLC	8.50%	2018	1,000	1,279.63	619
Alltel Corporation	7.00%	2016	300	1,125.26	157
GTE Corporation	6.84%	2018	600	1,196.85	266
					$ 4,122

[1] Per $1,000 principal amount of notes.

The Tender Offer for each series of notes was subject to a financing condition, which was either satisfied or waived with respect to all series. The Tender Offer expired on March 17, 2014 and settled on March 19, 2014. In addition to the purchase price, any accrued and unpaid interest on the purchased notes was paid to the date of purchase. During March 2014, we recorded early debt redemption costs in connection with the Tender Offer (see "Early Debt Redemption").

During March 2014, we issued $4.5 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $4.5 billion, net of discounts and issuance costs. The issuances consisted of the following: $0.5 billion aggregate principal amount Floating Rate Notes due 2019 that bear interest at a rate equal to three-month LIBOR plus 0.77% which rate will be reset quarterly, $0.5 billion aggregate principal amount of 2.55% Notes due 2019, $1.0 billion aggregate principal amount of 3.45% Notes due 2021, $1.25 billion aggregate principal amount of 4.35% Notes due 2024 and $1.25 billion aggregate principal amount of 5.05% Notes due 2034. During March 2014, the net proceeds were used to purchase notes in the Tender Offer described above.

During March 2014, Verizon Wireless redeemed $1.25 billion aggregate principal amount of the Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018 at 127.135% of the principal amount of such notes, plus accrued and unpaid interest (see "Early Debt Redemption"). Also, during March 2014, $1.6 billion of LIBOR plus 0.63% Verizon Communications Notes and $1.5 billion of 1.95% Verizon Communications Notes matured and were repaid.

During September 2014, we issued $6.9 billion aggregate principal amount of 4.5% Notes due 2044. The issuance of these Notes resulted in cash proceeds of approximately $6.9 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes. Also, during September 2014, we redeemed $0.8 billion aggregate principal amount of Verizon 1.25% Notes due November 2014 and recorded an immaterial amount of early debt redemption costs.

On October 22, 2014, we sold $6.5 billion aggregate principal amount of fixed rate notes, which are expected to settle on October 29, 2014. We expect to receive cash proceeds of approximately $6.425 billion, net of discounts and issuance costs and after reimbursement of certain expenses. The sale consisted of the following: $1.5 billion aggregate principal amount of 3.00% Notes due 2021, $2.5 billion aggregate principal amount of 3.85% Notes due 2024, and $2.5 billion aggregate principal amount of 4.40% Notes due 2034. The net proceeds from the offering will be used to redeem (i) in whole the following series of outstanding notes which have been called for early redemption in November 2014: Verizon 4.90% Notes due 2015, Verizon 5.55% Notes due 2016, Verizon 3.60% Notes due 2016, Verizon 2.50% Notes due 2017, Verizon 8.75% Notes due 2018, Alltel Corporation 7.00% Debentures due 2016 and Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and (ii) $1.0 billion aggregate principal amount of Verizon 2.50% Notes due 2016. Any proceeds not used for the redemption of these notes will be used for general corporate purposes.

Verizon may continue to acquire debt securities issued by Verizon and its affiliates in the future through open market purchases, privately negotiated transactions, tender offers, exchange offers, or otherwise, upon such terms and at such prices as Verizon may from time to time determine for cash or other consideration.

May Exchange Offer

On May 29, 2014, we announced the commencement of a private exchange offer (the May Exchange Offer) to exchange up to all Cellco Partnership and Verizon Wireless Capital LLC's £0.6 billion outstanding aggregate principal amount of 8.875% Notes due 2018 (the *2018 Old Notes*) for Verizon's new sterling-denominated Notes due 2024 (the New Notes) and an amount of cash. This exchange offer has been accounted for as a modification of debt. In connection with the May Exchange Offer, which expired on June 25, 2014, we issued £0.7 billion aggregate principal of New Notes and made a cash payment of £22 million in exchange for £0.6 billion aggregate principal amount of tendered 2018 Old Notes. The New Notes bear interest at a rate of 4.073% per annum.

Concurrent with the issuance of the New Notes, we entered into cross currency swaps to fix our future interest and principal payments in U.S. dollars (see "Market Risk").

July Exchange Offers

On July 23, 2014, we announced the commencement of eleven separate private offers to exchange (the July Exchange Offers) specified series of outstanding Notes issued by Verizon and Alltel Corporation (collectively, the Old Notes) for new Notes to be issued by Verizon. The July Exchange Offers have been accounted for as a modification of debt. On August 21, 2014, Verizon issued $3.3 billion aggregate principal amount of 2.625% Notes due 2020 (the 2020 New Notes), $4.5 billion aggregate principal amount of 4.862% Notes due 2046 (the 2046 New Notes) and $5.5 billion aggregate principal amount of 5.012% Notes due 2054 (the 2054 New Notes) in satisfaction of the exchange offer consideration on tendered Old Notes (not including accrued and unpaid interest on the Old Notes). The following tables list the series of Old Notes included in the July Exchange Offers and the principal amount of each such series accepted by Verizon for exchange.

The table below lists the series of Old Notes included in the July Exchange Offers for the 2020 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	3.65%	2018	$ 4,750	$ 2,052
	2.50%	2016	4,250	1,068
				$ 3,120

The table below lists the series of Old Notes included in the July Exchange Offers for the 2046 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.40%	2033	$ 6,000	$ 1,645
	7.75%	2030	2,000	794
	7.35%	2039	1,000	520
	7.75%	2032	400	149
Alltel Corporation	7.875%	2032	700	248
	6.80%	2029	300	65
				$ 3,421

The table below lists the series of Old Notes included in the July Exchange Offers for the 2054 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.55%	2043	$ 15,000	$ 4,330
	6.40%	2038	1,750	–
	6.90%	2038	1,250	–
				$ 4,330

Term Loan Agreement

During February 2014, we drew $6.6 billion pursuant to a term loan agreement with a group of major financial institutions to finance, in part, the Wireless Transaction. $3.3 billion of the loans under the term loan agreement had a maturity of three years (the 3-Year Loans) and $3.3 billion of the loans under the term loan agreement had a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant; affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50 1.00, until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

During June 2014, we issued $3.3 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $3.3 billion, net of discounts and issuance costs. The issuances consisted of the following: $1.3 billion aggregate principal amount of Floating Rate Notes due 2017 that will bear interest at a rate equal to three-month LIBOR plus 0.40% which will be reset quarterly and $2.0 billion aggregate principal amount of 1.35% Notes due 2017. We used the net proceeds from the offering of these notes to repay the 3-Year Loans on June 12, 2014.

During July 2014, we amended the term loan agreement, settled the outstanding $3.3 billion of 5-Year Loans and borrowed $3.3 billion of new loans. The new loans mature in July 2019, bear interest at a lower interest rate and require lower amortization payments in 2017 and 2018. In connection with the transaction, which primarily settled on a net basis, we recorded approximately $0.5 billion of proceeds from long-term borrowings and of repayments of long-term borrowings, respectively.

Other Credit Facilities

On July 31, 2014, we amended our $6.2 billion credit facility to increase the availability to $8.0 billion and extend the maturity to July 31, 2018. At the same time, we terminated our $2.0 billion 364-day revolving credit agreement. As of September 30, 2014, the unused borrowing capacity under this credit facility was approximately $7.9 billion.

Early Debt Redemption

During March 2014, we recorded net debt redemption costs of $0.9 billion in connection with the early redemption of $1.25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and the purchase of the following notes pursuant to the Tender Offer: $0.7 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 6.10% Notes due 2018, $0.8 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 5.50% Notes due 2018, $0.6 billion of the then outstanding $1.3 billion aggregate principal amount of Verizon 8.75% Notes due 2018, $0.7 billion of the then outstanding $1.25 billion aggregate principal amount of Verizon 5.55% Notes due 2016, $0.4 billion of the then outstanding $0.75 billion aggregate principal amount of Verizon 5.50% Notes due 2017, $0.6 billion of the then outstanding $1.0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, $0.2 billion of the then outstanding $0.3 billion aggregate principal amount of Alltel Corporation 7.00% Debentures due 2016 and $0.3 billion of the then outstanding $0.6 billion aggregate principal amount of GTE Corporation 6.84% Debentures due 2018.

Other, net

The change in Other, net financing activities during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily driven by a decline in tax distributions to Vodafone pursuant to the Cellco Partnership agreement. As a result of the completion of the Wireless Transaction, the final tax distribution was made in the second quarter of 2014. Partially offsetting the decline in tax distributions to Vodafone were net early debt redemption costs of $0.9 billion.

Dividends

As in prior periods, dividend payments were a significant use of capital resources. During the third quarter of 2014, Verizon's Board of Directors increased our quarterly dividend payments by 2.8% to $.55 per share from $.53 per share in the same period in 2013. This is the eighth consecutive year that the Board has approved a quarterly dividend increase.

During the nine months ended September 30, 2014, we paid $5.7 billion in cash dividends. During the nine months ended September 30, 2013, we paid $4.4 billion in cash dividends. The increase in cash dividends is primarily due to the issuance of approximately 1.27 billion shares of Verizon common stock as part of the consideration paid to complete the Wireless Transaction.

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans including 8.1 million common shares issued from Treasury stock during the nine months ended September 30, 2014, which had an aggregate value of $0.4 billion.

Special Distribution

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7.0 billion. As a result, Vodafone received a cash payment of $3.12 billion and the remainder of the distribution was received by Verizon.

As a result of the completion of the Wireless Transaction on February 21, 2014, we now have full ownership of Verizon Wireless and will no longer make special distributions to Vodafone.

Common Stock

As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares of Verizon common stock.

On March 7, 2014, the Verizon Board of Directors approved a share buyback program, which authorizes the repurchase of up to 100 million shares of Verizon common stock commencing no later than the close of business on February 28, 2017. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs.

Verizon did not repurchase any shares of Verizon common stock through its authorized share buyback program during the nine months ended September 30, 2014.

Covenants

Our credit agreements contain covenants that are typical for large, investment grade companies. These covenants include requirements to pay interest and principal in a timely fashion, pay taxes, maintain insurance with responsible and reputable insurance companies, preserve our corporate existence, keep appropriate books and records of financial transactions, maintain our properties, provide financial and other reports to our lenders, limit pledging and disposition of assets and mergers and consolidations, and other similar covenants. Additionally, the term loan credit agreement requires us to maintain a leverage ratio (as such term is defined in those agreements) not in excess of 3.50 1.00 until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

We and our consolidated subsidiaries are in compliance with all of our debt covenants.

Decrease in Cash and Cash Equivalents

Our Cash and cash equivalents at September 30, 2014 totaled $7.2 billion, a $46.3 billion decrease compared to Cash and cash equivalents at December 31, 2013 primarily as a result of the completion of the Wireless Transaction.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that management believes is useful to investors and other users of Verizon's financial information in evaluating cash available to pay debt and dividends. Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities. The following table reconciles Net cash provided by operating activities to Free cash flow:

(dollars in millions)	Nine Months Ended September 30, 2014	2013	Change
Net cash provided by operating activities	$ 23,157	$ 28,387	$ (5,230)
Less Capital expenditures (including capitalized software)	12,624	11,807	817
Free cash flow	$ 10,533	$ 16,580	$ (6,047)

The change in Free cash flow during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily due to a $3.2 billion increase in income tax payments, a $2.5 billion increase in interest payments, a $1.5 billion increase in pension contributions and higher capital expenditures. Subsequent to the completion of the Wireless Transaction on February 21, 2014, we now have full access to all of the cash flows generated by our wireless business.

We are exposed to various types of market risk in the normal course of business, including the effects of interest rate changes, foreign currency exchange rate fluctuations, changes in investment, equity and commodity prices and changes in corporate tax rates. We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks. We do not hold derivatives for trading purposes.

It is our general policy to enter into interest rate, foreign currency and other derivative transactions only to the extent necessary to achieve our desired objectives in limiting our exposure to various market risks. Our objectives include maintaining a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. We do not hedge our market risk exposure in a manner that would completely eliminate the effect of changes in interest rates and foreign exchange rates on our earnings. We do not expect that our net income, liquidity and cash flows will be materially affected by these risk management strategies.

Interest Rate Risk

We are exposed to changes in interest rates, primarily on our short-term debt and the portion of long-term debt that carries floating interest rates. As of September 30, 2014, approximately 85% of the aggregate principal amount of our total debt portfolio consisted of fixed rate indebtedness, including the effect of interest rate swap agreements designated as hedges. The impact of a 100 basis point change in interest rates affecting our floating rate debt would result in a change in annual interest expense, including our interest rate swap agreements that are designated as hedges, of approximately $0.2 billion. The interest rates on substantially all of our existing long-term debt obligations are unaffected by changes to our credit ratings.

Interest Rate Swaps

We enter into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to Interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our condensed consolidated balance sheets as assets and liabilities. The fair value of these contracts was not material at September 30, 2014 and December 31, 2013, respectively. As of September 30, 2014, the total notional amount of the interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material for the three and nine months ended September 30, 2014, respectively.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a total notional value of $2.0 billion. We designated these contracts as cash flow hedges. In March 2014, we settled these forward interest rate swaps and the pre-tax gain was not material. During the first and second quarters of 2014, we entered into forward interest rate swaps with total notional values of $0.9 billion and $3.1 billion, respectively. During the third quarter of 2014, we entered into forward interest rate swaps with a total notional value of $0.8 billion. We designated these contracts as cash flow hedges.

In October 2014, we settled $1.25 billion of forward interest rate swaps.

Foreign Currency Translation

The functional currency for our foreign operations is primarily the local currency. The translation of income statement and balance sheet amounts of our foreign operations into U.S. dollars is recorded as cumulative translation adjustments, which are included in Accumulated other comprehensive income in our condensed consolidated balance sheets. Gains and losses on foreign currency transactions are recorded in the condensed consolidated statements of income in Other income and (expense), net. At September 30, 2014, our primary translation exposure was to the British Pound Sterling, the Euro, the Australian Dollar, the Indian Rupee and the Japanese Yen.

Cross Currency Swaps

During the first quarter of 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars as well as to mitigate the impact of foreign currency transaction gains or losses.

During the second quarter of 2014, in connection with the May Exchange Offer, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.2 billion of British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.6 billion of British Pound Sterling and Euro-denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the effect of foreign currency transaction gains or losses. In June 2014, we settled $0.8 billion of these cross currency swaps as part of the Exchange Offer and the gains with respect to these swaps were not material.

A portion of the gains and losses recognized in Other comprehensive income (loss) was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations. The fair value of the outstanding swaps was $0.1 billion at September 30, 2014 and was not material at December 31, 2013. During the three and nine months ended September 30, 2014, a pre-tax loss of $0.1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss). During the three and nine months ended September 30, 2013, a pre-tax gain of $0.1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss).

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership) and such interest, the Vodafone Interests, for aggregate consideration of approximately $130 billion.

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VF1 Inc.), which indirectly through certain subsidiaries (together with VF1 Inc., the Purchased Entities) owned the Vodafone Interest. In consideration for the Transferred Shares, upon completion of the Wireless Transaction, Verizon (i) paid approximately $58.89 billion in cash, (ii) issued approximately 1.27 billion shares of Verizon's common stock, par value $0.10 per share (the Stock Consideration), which was valued at approximately $61.3 billion at the closing of the Wireless Transaction, (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5.0 billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23.1% interest in Vodafone Omnitel N.V. (Omnitel and such interest, the Omnitel Interest), valued at $3.5 billion and (v) provided other consideration, which included the assumption of preferred stock valued at approximately $0.7 billion. The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness (see Consolidated Financial Condition").

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted. As a result, we accounted for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in the Partnership. Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted has been recognized in equity attributable to Verizon.

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also consummated the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement. As a result, during the nine months ended September 30, 2014, we recognized a pre-tax gain of $1.9 billion on the disposal of the Omnitel Interest in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income.

Verizon Notes

The Verizon Notes were issued to Vodafone pursuant to Verizon's existing indenture. The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 (the eight-year Verizon Notes) and $2.5 billion due February 21, 2025

(the eleven-year Verizon Notes). The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014. The eight-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%. The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series. Beginning two years after the closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods commencing January 1, 2017. Any Verizon Notes held by third parties will not be redeemable by Verizon prior to their maturity dates. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration provided to Vodafone is the indirect assumption of long-term obligations with respect to 5.113% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D shares (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction.

Deferred Tax Liabilities

Certain deferred taxes directly attributable to the Wireless Transaction have been calculated based on an analysis of taxes attributable to the difference between the tax basis of the investment in the noncontrolling interest that is assumed compared to Verizon's book basis. As a result, Verizon recorded a deferred tax liability of approximately $13.5 billion.

Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA to exchange certain AWS and PCS licenses. The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these exchanges, we received $0.9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain.

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses. As a result, we received $1.6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0.7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014.

During September 2014, we entered into a license exchange agreement with affiliates of AT&T to exchange certain AWS and PCS spectrum licenses. This non-cash exchange, which is subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, is expected to close in the first quarter of 2015. Upon completion of the transaction, we expect to record an immaterial gain.

During the three and nine months ended September 30, 2014, we acquired various other wireless licenses and markets for cash consideration that was not significant.

Wireline

On July 1, 2014, we sold a non-strategic Wireline business, which provides communications solutions to a variety of government agencies, for net cash proceeds of $0.1 billion and recorded an immaterial gain.

Other

During February 2014, Verizon acquired a business dedicated to the development of Internet Protocol (IP) television for cash

consideration that was not significant

On October 7, 2014 Redbox Instant by Verizon, a venture between Verizon and Redbox Automated Retail LLC (Redbox), a wholly-owned subsidiary of Outerwall Inc., ceased providing service to its customers In accordance with an agreement between the parties, Redbox withdrew from the venture on October 20, 2014 and Verizon will wind down and dissolve the venture during the next few months As a result of the termination of the venture, we expect to record a pre-tax loss of approximately $0 1 billion in the fourth quarter of 2014

Regulatory and Competitive Trends

There have been no material changes to Regulatory and Competitive Trends as previously disclosed in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2013

Environmental Matters

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Recent Accounting Standards

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures of disposals of components of an entity was issued This standard update changes the criteria for reporting discontinued operations and enhances convergence of the reporting requirements for discontinued operations As a result of this standard update a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have a major effect on an entity's operations and financial results This standard update is effective as of the first quarter of 2015, however, earlier adoption is permitted

In May 2014, the accounting standard update related to the recognition of revenue from contracts with customers was issued This standard update clarifies the principles for recognizing revenue and develops a common revenue standard for U S generally accepted accounting principles (GAAP) and International Financial Reporting Standards The standard update intends to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, and provide more useful information to users of financial statements through improved disclosure requirements Upon adoption of this standard update, we expect that the allocation and timing of revenue recognition will be impacted We expect to adopt this standard update during the first quarter of 2017

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients Under the other method, the guidance is applied to contracts not completed as of the date of initial application, recognizing the cumulative effect of the change as an adjustment to the beginning balance of retained earnings, and also requires additional disclosures comparing the results to the previous guidance We are currently evaluating these adoption methods and the impact that this standard update will have on our condensed consolidated financial statements

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period was issued The standard update resolves the diverse accounting treatment for these share-based payments by requiring that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. We will adopt this standard update during the first quarter of 2016 The adoption of this standard update is not expected to have a

significant impact on our condensed consolidated financial statements

In this report we have made forward-looking statements These statements are based on our estimates and assumptions and are subject to risks and uncertainties Forward-looking statements include the information concerning our possible or assumed future results of operations Forward-looking statements also include those preceded or followed by the words "anticipates" "believes," "estimates" "hopes" or similar expressions For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates and/or availability of further financing
- significantly increased levels of indebtedness as a result of the Wireless Transaction
- changes in tax laws or treaties, or in their interpretation
- adverse conditions in the U S and international economies
- material adverse changes in labor matters, including labor negotiations and any resulting financial and/or operational impact
- material changes in technology or technology substitution
- disruption of our key suppliers' provisioning of products or services
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks,
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance
- the effects of competition in the markets in which we operate,
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings
- significant increases in benefit plan costs or lower investment returns on plan assets, and
- the inability to implement our business strategies

Item 3 Quantitative and Qualitative Disclosures About Market Risk

Information relating to market risk is included in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Market Risk."

Item 4 Controls and Procedures

Our chief executive officer and chief financial officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this quarterly report. Based on this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2014.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes intended to ensure an effective internal control environment. We are continuing an initiative to implement new financial systems that will continue in phases over the next several quarters. We are also continuing an initiative to standardize and centralize transaction-processing activities within our accounting processes, which we expect to continue over the next several years. These initiatives will incorporate certain changes in personnel as well. In connection with these initiatives and the resulting changes in our financial systems and transaction-processing activities, the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective.

Except as noted above, there were no changes in the Company's internal control over financial reporting during the third quarter of 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1 Legal Proceedings

On September 15, 2010, the U.S. Bank National Association (U.S. Bank), as Litigation Trustee for the Idearc Inc. Litigation Trust (Litigation Trust), filed suit in U.S. District Court for the Northern District of Texas against Verizon and certain subsidiaries challenging the November 2006 spin-off of Verizon's former directories business then known as Idearc Inc. U.S. Bank, which represents a group of creditors who filed claims in Idearc's bankruptcy, alleged that Idearc was insolvent at the time of the spin-off or became insolvent shortly thereafter. The Litigation Trust sought over $9 billion in damages. In its June 18, 2013 decision, the District Court entered judgment for Verizon and its subsidiaries and ruled that U.S. Bank would "take nothing" on its claims. U.S. Bank appealed the decision to the U.S. Court of Appeals for the Fifth Circuit, which upheld the District Court's decision on July 30, 2014. The Litigation Trust has until December 15, 2014, to seek further review of the decision by the United States Supreme Court.

On October 25, 2011, a Litigation Trust created during the bankruptcy proceedings of FairPoint Communications, Inc. filed a complaint in state court in Mecklenburg County, North Carolina, against Verizon and other related entities. The complaint claimed that FairPoint's acquisition of Verizon's landline operations in Maine, New Hampshire and Vermont in March 2008 was structured and carried out in a way that left FairPoint insolvent or led to its insolvency shortly thereafter and ultimately to its October 2009 bankruptcy. The Litigation Trust sought approximately $2 billion in damages. Verizon removed the case to the United States District Court for the Western District of North Carolina in November 2011. At the close of discovery in February 2013, Verizon filed a summary judgment motion to dismiss the two counts in the complaint—constructive fraudulent transfer and actual fraudulent transfer. On June 12, 2013, the District Court granted Verizon's summary judgment motion in part, dismissing the Litigation Trust's constructive fraudulent transfer claim. A bench trial limited to the actual fraudulent transfer claim concluded December 13, 2013. On June 18, 2014, Verizon and the Litigation Trust entered into a settlement agreement, the terms of which are not material to our business. The settlement agreement was approved by the Bankruptcy Court on September 18, 2014 and the matter was dismissed by the District Court on October 16, 2014.

In October 2013, the California Attorney General's Office notified Verizon California Inc. and other Verizon companies of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation and continue to review our operations relating to the management of hazardous waste. While penalties relating to the alleged violations could exceed $100,000, we do not expect that any penalties ultimately incurred will be material.

Item 1A Risk Factors

There have been no material changes to our risk factors as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

On March 7, 2014, the Verizon Board of Directors approved a share buyback program which authorizes the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2017. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs.

Verizon did not repurchase any shares of Verizon common stock through its authorized share buyback program during the three months ended September 30, 2014. At September 30, 2014, the maximum number of shares that could be purchased by or on behalf of Verizon under our share buyback program was 100 million.

Item 6. Exhibits

Exhibit Number	Description
12	Computation of Ratio of Earnings to Fixed Charges
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VERIZON COMMUNICATIONS INC.

Date: October 28, 2014

By: /s/ Anthony T. Skiadas
Anthony T. Skiadas
Senior Vice President and Controller
(Principal Accounting Officer)

Exhibit Index

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101.DEF	*XBRL Taxonomy Extension Definition Linkbase Document*

Computation of Ratio of Earnings to Fixed Charges
Verizon Communications Inc. and Subsidiaries

(dollars in millions)	Nine Months Ended September 30, 2014
Earnings:	
Income before provision for income taxes	$ 19,156
Equity in earnings of unconsolidated businesses	(1,811)
Dividends from unconsolidated businesses	26
Interest expense (1)	3,633
Portion of rent expense representing interest	674
Amortization of capitalized interest	143
Earnings, as adjusted	$ 21,821
Fixed Charges:	
Interest expense (1)	$ 3,633
Portion of rent expense representing interest	674
Capitalized interest	324
Fixed charges	$ 4,631
Ratio of earnings to fixed charges	4.71

(1) We classify interest expense recognized on uncertain tax positions as income tax expense and therefore such interest expense is not included in the Ratio of Earnings to Fixed Charges.

EXHIBIT 31.1

I, Lowell C. McAdam, certify that:

1. **I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.;**

2. **Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;**

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Francis J. Shammo, certify that:

1. **I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.;**

2. **Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;**

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell C. McAdam, Chairman and Chief Executive Officer of Verizon Communications Inc. (the Company), certify that

(1) the report of the Company on Form 10-Q for the quarterly period ending September 30, 2014 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: October 28, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Francis J. Shammo, Executive Vice President and Chief Financial Officer of Verizon Communications Inc. (the Company), certify that

(1) the report of the Company on Form 10-Q for the quarterly period ending September 30, 2014 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: October 28, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark one)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	23-2259884
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
140 West Street, New York, New York	10007
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 395-1000

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Common Stock, $.10 par value	New York Stock Exchange The NASDAQ Global Select Market London Stock Exchange

Securities registered pursuant to Section 12(g) of the Act

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ✓ No ___

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ___ No ✓

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No ___

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ✓ No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ✓

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer ✓	Accelerated filer ___	Non-accelerated filer ___	Smaller reporting company ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ___ No ✓

At June 28, 2013, the aggregate market value of the registrant's voting stock held by non-affiliates was approximately $144,030,746,074

At February 24, 2014, 4,141,140,749 shares of the registrant's common stock were outstanding, after deducting 101,233,491 shares held in treasury.

Documents Incorporated By Reference.

Portions of the registrant's Annual Report to Shareowners for the year ended December 31, 2013 (Parts I and II)

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Certifications

General

Verizon Communications Inc. (Verizon, or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. Formerly known as Bell Atlantic Corporation, we were incorporated in 1983 under the laws of the State of Delaware. We began doing business as Verizon on June 30, 2000 following our merger with GTE Corporation. We have a highly diverse workforce of approximately 176,800 employees.

Our principal executive offices are located at 140 West Street, New York, New York 10007 (telephone number 212-395-1000).

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business segments and organize by products and services.

Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States.
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

The following portions of the 2013 Verizon Annual Report to Shareowners are incorporated into this report:

- "Overview" on pages 10 through 12; and,
- "Segment Results of Operations" on pages 17 through 22 and in Note 13 to the consolidated financial statements on pages 65 through 67.

Wireless

Background

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone Group Plc (Vodafone). As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. Verizon Wireless provides wireless communication services across one of the most extensive wireless networks in the United States and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and third-generation (3G) Evolution - Data Optimized (EV-DO) networks of any U.S. wireless service provider.

On September 2, 2013, Verizon entered into a stock purchase agreement with Vodafone and Vodafone 4 Limited, pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless for aggregate consideration of approximately $130 billion (the Wireless Transaction). We completed the transaction on February 21, 2014 and acquired 100% ownership of Verizon Wireless. The consideration paid was primarily comprised of cash and Verizon common stock.

Verizon Wireless is the largest wireless service provider in the United States as measured by retail connections and revenue. At December 31, 2013, Verizon Wireless had 102.8 million retail connections and 2013 revenues of approximately $81.0 billion, representing approximately 67% of Verizon's aggregate revenues.

We have substantially completed the deployment of our 4G LTE network. Our 4G LTE network is available to 97% of the U.S. population in more than 500 markets covering approximately 305 million people, including those in areas served by our LTE in Rural America partners. Under this program, we are working with wireless carriers in rural areas to collaboratively build and operate a 4G LTE network using each carrier's network assets and our core 4G LTE equipment and 700 MHz C-Block spectrum. Our 4G LTE network provides higher data throughput performance for data services at a lower cost compared to that provided via 3G networks.

Wireless Service and Product Offerings

Our wireless services are available to our customers receiving service under the Verizon Wireless brand. In addition, customers can obtain wireless products and services that operate on our network from resellers that purchase network access from us on a wholesale basis.

Wireless Services

We offer our wireless services on a postpaid and prepaid basis. Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Our postpaid account plans include More Everything ® plans, single connection plans, plans tailored to the needs of our corporate customers, as well as legacy single connection plans and family plans that we no longer offer to new accounts. A single account may receive monthly wireless services for a variety of connected devices. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance (access service revenues) and usage beyond the allowance is billed in arrears (usage service revenues). Approximately 94% of our retail connections received our wireless services on a postpaid basis as of December 31, 2013. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

Our wireless plans offer various packages of services that allow customers, regardless of the device, to select the plan that best matches their network usage patterns. On February 13, 2014, we introduced our More Everything plans which replaced our Share Everything ® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among up to 10 devices connected to the Verizon Wireless network. Customers with Verizon Edge, which provides a device payment plan option, also will receive discounted monthly access fees on More Everything plans. For an additional monthly access fee, our customers have the option of sharing long distance and roaming minutes among their devices for calls from the United States to and calls while within Canada and Mexico. The More Everything plans also include the Mobile Hotspot service on our smartphones at no additional charge. The Mobile Hotspot service allows a customer to use our network to create a Wi-Fi network that can be used by Wi-Fi enabled devices. Verizon Wireless also offers shared data plans for business, with the More Everything plans for Small Business and the Nationwide Business Data Packages and Plans. As of December 31, 2013, Share Everything accounts represented approximately 46% of our retail postpaid accounts compared to approximately 23% as of December 31, 2012.

We offer a wide variety of wireless services, including Internet access, via our broad range of devices. Our customers can access the Internet on all of our smartphones, as well as our basic phones that include HTML web-browsing capability. We also offer service that enables our customers to access the Internet wirelessly at broadband speeds on notebook computers and tablets that either have embedded 4G LTE or 3G EV-DO modules, or that are used in conjunction with separate devices that enable access to this service, such as smartphones and USB modems as well as Jetpacks ™ and other dedicated devices that provide a mobile Wi-Fi connection. These devices can be added to the customer's More Everything plan for an additional monthly fee, or the customer can obtain a separate plan for the device at various price points, depending upon both the size of the data allowance purchased and the device covered by the plan.

In addition, we offer messaging services, which enable our customers to send and receive text, picture and video messages. Our customers can access multimedia offerings, mostly provided by third parties, consisting of applications providing music, video, gaming, news and other content, while our business-focused offerings, which are designed to increase productivity, include solutions that enable customers to access the Internet and their corporate intranets, as well as products that enable wireless e-mail across our diverse portfolio of wireless devices. Our location-based services provide our customers with directions to their destination and enable our business customers to locate, monitor and communicate with their mobile field workers. Our global data services allow our customers to access data services on our Global Ready Phones from hundreds of international destinations and to access the Internet at such destinations with laptops that are either Global Ready, tethered to a Global Ready Phone, or are used in conjunction with other Global Ready devices, such as certain USB modems or Jetpacks. In addition, our customers have access to more than one million applications and services developed and distributed by third parties, such as those offered via Google Play, accessible on our smartphones running on the Google, Inc. (Google) Android operating system, those offered via the Apple, Inc. (Apple) iTunes store, accessible through smartphones and tablets running on the Apple iOS operating system, those offered by Microsoft Inc. (Microsoft), via Microsoft's Windows Phone OS operating system and those offered by BlackBerry Limited (BlackBerry), through its BlackBerry App World webstore.

Our customers can make and receive calls on their home phone handsets using our wireless network through our Home Phone Connect service or Verizon 4G LTE Broadband Router with Voice service. We also offer HomeFusion ® Broadband, a high-speed Internet service that provides customers with Internet connections in their homes using our 4G LTE network.

In addition, we provide network access and, in some cases, enhanced value added services to support telemetry-type applications, which are characterized by machine-to-machine (M2M) wireless connections. Our M2M services support devices that are used by a variety of vertical market segments including healthcare, education, manufacturing, utilities, distribution and consumer products. For example, companies purchase network access and, in some cases, enhanced services from us in order to connect with and monitor equipment, such as medical devices used to monitor patients, fleet management devices used to monitor company-operated vehicles and utility monitoring devices used for smart grid applications. Other companies purchase network access and, in some cases, enhanced services from us to support devices that are included in a service they, in turn, sell to end users. We also support telematics services for some of the largest automotive manufacturers. We expect that consumer use of M2M wireless connections, such as home monitoring, health monitoring, energy management and utilities management will increase as consumers integrate these devices into their mobile lifestyle.

Wireless Devices

We offer several categories of wireless devices, including smartphones, tablets and other Internet access devices as well as basic phones.

Smartphones. Our device line-up includes an array of smartphones that are enabled to utilize our 4G LTE and/or 3G EV-DO high-speed data services and run on various operating platforms, such as Apple iOS, Google Android, BlackBerry OS and Windows Phone OS. In August 2013, we launched the new Verizon Edge device payment plan option which now allows customers to trade in their phone for a new phone after a minimum of thirty days, subject to certain conditions.

Tablets and Other Internet Devices. We offer a variety of 4G LTE and/or 3G EV-DO-enabled tablets from multiple manufacturers that run primarily on either the Apple iOS, Google Android or Microsoft Windows operating system. In 2013, we launched the Ellipsis 7 tablet, which is available exclusively from Verizon Wireless. The tablets we offer also permit our customers to access the Internet via a Wi-Fi connection. In addition, we offer dedicated devices that provide a mobile Wi-Fi 4G LTE and/or 3G EV-DO connection, which we refer to as Jetpacks, capable of connecting multiple Wi-Fi enabled devices to the Internet at one time. Our customers can also access the Internet wirelessly at broadband speeds on their computers via data cards, USB modems or through the use of certain laptop computers and netbooks with embedded 4G LTE and 3G EV-DO Mobile Broadband modules, offered by original equipment manufacturers (OEMs). During 2013, we continued to experience strong subscriber demand for tablets and other Internet devices, and the percentage of our retail postpaid connection base represented by connections to these devices continued to increase.

Basic Phones. Most of the basic phones we offer are 3G EV-DO-enabled and have HTML browsing capability.

We purchase wireless devices and accessories from a number of manufacturers, with the substantial majority of our purchases made from Apple, Motorola Mobility, Samsung, LG Electronics, BlackBerry, HTC, Hitachi and Quality One Wireless (through which we purchase Pantech devices and accessories).

A key component of all wireless devices is the chipset, which contains the "intelligence" of the device. The LTE chipsets used in our 4G LTE-enabled devices are manufactured by various companies, each using its own 4G LTE chipset technology. For the manufacture and supply of our CDMA-1XRTT and EV-DO chipsets, most of our wireless device suppliers rely on Qualcomm Incorporated (Qualcomm). We also sell phones that include CDMA-1XRTT and EV-DO chipsets manufactured by VIA Telecom under license from Qualcomm. In addition, there are a number of other components common to wireless phones provided by various electronic component manufacturers that we do not deal with directly.

Strategic Initiatives

We have undertaken several initiatives to develop innovative devices, data services and applications available to run on our networks, including the following:

- *Mobile Video.* Video content is projected to account for a majority of mobile network traffic by 2015. We believe the growth in video consumption using mobile devices provides us with an opportunity for revenue growth. We have made investments in converging technologies and services involving content delivery networks, video streaming and selected consumer hardware to leverage new content models. Our 4G LTE network enables us to move towards a unified video strategy that positions us to take advantage of this growth opportunity. For example, we are using Multimedia Broadcast Multicast Service technology to develop our LTE Multicast service. This service has the potential to enhance our network efficiency and provide our customers with access to live streaming video content with virtually no buffering, regardless of the number of devices using the service.
- *Mobile Commerce.* Every day, large volumes of transactions are carried across our network. As a result, we believe we are well positioned to influence and benefit from the rapid growth of the mobile commerce market that is being driven by technology advances such as the proliferations of smartphones and tablets. Isis, a mobile commerce platform, represents the first phase of our initiatives to address this opportunity. Launched in November 2012 as a joint venture with AT&T Inc. (AT&T) and T-Mobile USA, Inc. (T-Mobile USA), Isis enables customers to pay for point-of-sale purchases via their mobile phones using near field communications technology rather than paying with cash or a credit card. Known as the "Isis Mobile Wallet," this service enables customers to organize all of their payment cards, offers and loyalty cards in one convenient application on their Isis-ready phone.
- *Innovation centers.* We operate innovation centers in Waltham, Massachusetts and San Francisco. We believe our centers serve as catalysts for the development of non-traditional devices, services and applications that take full advantage of our 4G LTE network. The centers work with many of our strategic partners representing various industries to help them quickly bring products, services, applications and solutions to market.

Network

We have the largest 4G LTE and 3G EV-DO networks of any service provider in the United States, with licensed and operational coverage in all of the 100 most populous U.S. metropolitan areas. As of January 21, 2014, our 4G LTE network covers approximately 305 million people in the U.S., including those in areas served by our LTE in Rural America program.

We strive to provide our customers with the highest network reliability for their wireless services. We design and deploy our network in an efficient manner that we believe maximizes the number of successful data sessions and completions of large file downloads and uploads while delivering on our advertised throughput speeds, and that maximizes the number of calls that are connected on the first attempt and completed without being dropped. We plan to continue to expand and upgrade our network primarily to increase capacity, as well as explore strategic opportunities to expand our national network coverage through selective acquisitions of wireless operations and spectrum licenses.

- In addition to our own network coverage, we have roaming agreements with a number of wireless service providers to enable our customers to receive wireless service in nearly all other areas in the United States where wireless service is available. We also offer a variety of international wireless voice and data services to our customers through roaming arrangements with wireless service providers outside of the United States. Certain of our roaming agreements are terminable at will by either party upon several months' notice, however we do not believe that the termination of any of these at-will agreements would have a material adverse effect on our business.

Technology

Our primary network technology platforms are 4G LTE and 3G Code Division Multiple Access (CDMA). 4G LTE provides higher data throughput performance for data services at a lower cost compared to those offered by 3G technologies. We continue working to expand 4G LTE coverage beyond our network footprint through our LTE in Rural America Program. We currently have 20 committed program participants that have the potential to provide 4G LTE coverage to approximately three million people under the program and, to date, sixteen participants have commenced operations on such networks.

In 2012, we began testing our mobile Voice over Internet protocol (VoIP) network known as Voice over LTE (VoLTE). This technology, which is expected to be used in addition to the current voice technology, is anticipated to launch commercially in 2014.

Our 3G CDMA network is based on spread-spectrum digital radio technology. CDMA-1XRTT technology is deployed in nearly all of the cell sites in our 3G CDMA network. In addition, EV-DO, a 3G packet based technology intended primarily for high-speed data transmission, is deployed in substantially all of the cell sites in our 3G CDMA network.

Our network includes various elements of redundancy designed to enhance the reliability of our service. Power and backhaul transport facilities can often become a network's vulnerability. Consequently, we have battery backup at every switch and every cell site in our network. We also utilize backup generators at a majority of our cell sites and at every switch location. In addition, we have a fleet of portable backup generators that can be deployed to cell sites if needed. We further enhance reliability by using a fully redundant backbone Multiprotocol Label Switching network in all critical locations.

Spectrum

The spectrum licenses we hold can be used for mobile wireless voice and data communications services. We have licenses to provide these wireless services on portions of the 800 MHz band, also known as cellular spectrum, the 1800-1900 MHz band, also known as Personal Communication Services (PCS) spectrum, and the 1700 and 2100 MHz band, also known as Advanced Wireless Services (AWS) spectrum, in areas that, collectively, cover nearly all of the population of the United States. In addition, we hold licenses for portions of the 700 MHz upper C band, including ten licenses that can, together, be used to provide wireless service coverage to the entire United States and the Gulf of Mexico.

Since 2012, we have entered into several spectrum transactions including:

- **In 2012, Verizon Wireless acquired AWS spectrum in separate transactions with SpectrumCo, LLC and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. During 2012, Verizon Wireless also completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA. As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and PCS licenses at fair value and transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless.**
- **During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value.**
- **During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value.**
- **During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands.**

- **Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.**

We anticipate we will need additional spectrum to meet future demand. This increasing demand is being driven by growth in customer connections and usage of wireless broadband services, which use more bandwidth and require ever faster rates of speed to stay competitive. We can meet spectrum needs by acquiring licenses or leasing spectrum from other licensees, or by acquiring new spectrum licenses from the FCC, if and when offered by the FCC in future spectrum auctions. Although the availability of new spectrum for commercial wireless services and the possible dates of future FCC spectrum auctions are uncertain at this time, the FCC and the current Presidential Administration have been seeking the release of additional mobile use spectrum. The FCC is expected to conduct an auction for AWS-3 spectrum in late 2014. In addition, Congress has adopted legislation that provides for the establishment of a national public safety network and the reallocation and auction, through the use of voluntary incentive auctions by 2022 of portions of the existing broadcast spectrum. The incentive auction related to the 600 MHz band is expected to take place in mid-2015, although the specific timing of the AWS-3, 600 MHz and other auctions will be determined by future regulatory proceedings.

Since we and competing wireless service providers have experienced spectrum shortages in certain markets and may have spectrum surpluses in others, we have at times exchanged spectrum licenses with other service providers through secondary market swap transactions. We expect to continue to pursue similar opportunities to trade spectrum licenses in order to meet certain of our capacity and expansion needs in the future. In other cases, Verizon Wireless has entered into intra-market spectrum swaps designed to increase the amount of contiguous spectrum within frequency bands in a specific market. Contiguous spectrum improves network performance and efficiency. These swaps as well as any spectrum purchases are subject to obtaining governmental approvals for the transfer of spectrum licenses in each instance.

Network Equipment and Build-out

Alcatel-Lucent and Ericsson are currently our primary network vendors for our LTE network deployments for macro sites as well as small cells. Our primary CDMA cell site equipment infrastructure vendors are Alcatel-Lucent, which provides more than half of our CDMA cell site equipment, and Nokia Siemens Networks (NSN) and Ericsson, which together provide nearly all of our remaining cell site equipment. We also rely on Alcatel-Lucent, NSN and Ericsson for our switching equipment.

As we continue to build and upgrade our existing network, we must complete a variety of steps, including securing rights to a large number of sites and obtaining zoning and other governmental approvals for macro sites, small cells, in-building systems and antennas and related radio equipment that compose distributed antenna systems. We utilize tower site management firms such as Crown Castle International Corp. and American Tower Corporation, as lessees or managers of a portion of our existing tower sites upon which our operations depend.

Marketing and Distribution

Our marketing strategy is focused on offering solutions tailored to the needs of our various customer market groups, promoting our brand, leveraging our extensive distribution network, and jointly marketing our products and services to large business and government customers with Verizon's Wireline business units through Verizon Enterprise Solutions, a sales and marketing organization that encompasses all of Verizon's solutions for medium and large business and government customers globally. Our marketing plan includes a coordinated program of television, print, radio, outdoor, signage, Internet and point-of-sale media promotions designed to present our corporate message consistently across all of our markets. We use a combination of direct, indirect and alternative distribution channels in order to increase customer growth while reducing customer acquisition costs.

Company-operated stores are a core component of our distribution strategy. Our direct channel, which includes our business-to-business sales operations and systems organization, is focused on supporting the wireless communications needs of consumers and local, regional and national business customers. In addition, we have a telemarketing, sales force dedicated to handling incoming calls from customers, and we offer fully-automated, end to end web-based sales of wireless devices, accessories and service plans.

In November 2013, we launched our first Verizon Destination store at Mall of America in Bloomington, Minnesota. The store focuses on the mobile lifestyle and highlights the many ways consumers can use wireless technology in their daily lives. The store is part of a broader initiative that includes the redesign of our retail stores nationwide, to become "smart stores." These newly

redesigned locations showcase the same mobile lifestyle zones as the Verizon Destination store but on a smaller scale. During the next few years, we plan to open additional destination stores in high traffic locations across the country. In addition, our online store and Gadgets & Gear portal have also been redesigned to deliver a consistent shopping experience for customers across browsers and mobile platforms.

Our indirect channel includes agents that sell our postpaid and prepaid wireless products and services at retail locations throughout the United States, as well as through the Internet. The majority of these agents sell both our postpaid and prepaid products and services, and do so under exclusive selling arrangements with us. We also utilize high-profile, national retailers, such as Best Buy, Wal-Mart, RadioShack and Target to sell our postpaid and prepaid wireless products and services. Stores such as Dollar General and various drugstore chains sell our prepaid products and services. We have also entered into agency agreements with a number of broadband, video and voice service providers through which our products and services are sold on a stand-alone basis or bundled with their services.

Competition

We operate in a highly competitive industry. We compete against other national wireless service providers, including AT&T, Sprint Corporation and T-Mobile USA, as well as various regional wireless service providers. We also compete for retail activations with resellers that buy bulk wholesale service from facilities-based wireless service providers for resale, including those that buy from us. We expect competition to intensify as a result of continuing increases in wireless market penetration levels, network investment, the development and deployment of new technologies, the introduction of new products and services, new market entrants, the availability of additional spectrum, both licensed and unlicensed, and regulatory changes. Competition may also increase as smaller, stand-alone wireless service providers merge or transfer licenses to larger, better capitalized wireless service providers.

The wireless industry also faces competition from other communications and technology companies seeking to increase their brand recognition and capture customer revenue with respect to the provision of wireless products and services. For example, Microsoft, Google, Apple and others are offering alternative means for making wireless voice calls that, in certain cases, can be used in lieu of the wireless provider's voice service.

We believe that the following are the most important competitive factors in our industry:

- *Network reliability, capacity and coverage.* We believe that a wireless network that consistently provides high quality and reliable service is a key differentiator in the U.S. market and a driver of customer satisfaction. Lower prices, improved service quality and new wireless service offerings, which in many cases include video content, have led to increased customer usage of wireless services, which, in turn, puts pressure on network capacity. In order to compete effectively, wireless service providers must keep pace with network capacity needs and offer highly reliable national coverage through their networks. We believe that our 4G LTE network will help us to keep pace with network capacity requirements and meet customer demand for higher speeds.
- *Pricing.* Service and equipment pricing play an important role in the wireless competitive landscape. As the demand for wireless services continues to grow, wireless service providers are offering service plans that include unlimited voice minutes and text messages and a specific amount of data access in varying megabyte or gigabyte sizes or, in some cases, unlimited data usage. In addition, certain wireless service providers are also offering minutes-sharing plans, larger bundles of included minutes with no roaming or long distance charges, features that enable customers to place and receive calls from a group of self-designated U.S. phone numbers (including landline numbers) at no additional charge, and both prepaid and postpaid plans offering unlimited voice and data usage. Wireless service providers are also offering price plans that decouple service pricing from equipment pricing and blur the traditional boundary between prepaid and postpaid plans. In addition, some wireless service providers are offering a credit to new customers to reimburse early termination fees paid to their former wireless service provider, subject to certain limitations.

  We seek to compete in this area by offering our customers price plans for our services, as well as equipment offers, that they will regard as the best available value for the price.
- *Customer service.* We believe that high-quality customer service is a key factor in retaining customers and attracting new customers, including those of other wireless providers. Our customer service, retention and satisfaction programs are based on providing customers with convenient and easy-to-use products and services in order to promote long-term relationships and minimize churn. Our competitors also recognize the importance of customer service and are also focused on improving in this area.
- *Product and service development.* As wireless technologies develop and wireless broadband networks proliferate, continued customer and revenue growth will be increasingly dependent on the development of new and enhanced data products and services. We continue to pursue the development and rapid deployment of new and innovative wireless products and services both independently and in collaboration with application service providers. We also collaborate with various device manufacturers in the development of distinctive smartphones and other wireless devices that can access the growing array of data applications and content available over the Internet. We continue to focus on increasing smartphone penetration throughout our customer base.
- *Sales and distribution.* Key to achieving sales success in the wireless industry is the reach and quality of sales channels and distribution points. We believe that attaining the optimal combination of varying distribution channels is important to achieving industry-leading profitability, as measured by operating income. We endeavor to increase sales through our company-operated stores, outside sales teams and telemarketing and web-based sales and fulfillment capabilities, as well as through our extensive indirect distribution network of retail outlets and prepaid replenishment locations and netbook and notebook OEMs. In addition, we sell network access to both traditional resellers, which resell network services to their end-users, and to various companies to enable wireless communications for their M2M devices or for their provision of telematics services.
- *Capital resources.* In order to expand the capacity and coverage of their networks and introduce new products and services, wireless service providers require significant capital resources. We generate significant cash flow from operations, as do some of our competitors.

Our success will depend on our ability to anticipate and respond to various factors affecting the wireless industry, including the factors described above, as well as new technologies, new business models, changes in customer preferences, regulatory changes, demographic trends, economic conditions and pricing strategies of competitors.

Wireline

Background

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world. In 2013, Wireline revenues were $39.2 billion, representing approximately 33% of Verizon's aggregate revenues.

Wireline Service and Product Offerings

We organize our service and product offerings by the primary customers targeted by these offerings - mass markets, global enterprise and global wholesale.

In 2012, Verizon acquired HUGHES Telematics, Inc. (HUGHES Telematics). The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers. These offerings include our suite of real-time vehicle communications services and applications which connect automobiles with content, applications and services. We provide services to new vehicles in the United States and in 2013, we extended our agreement with two auto manufacturers to provide services for new vehicles in China and in Europe. See "Strategic Initiatives - Verizon Telematics" for additional information.

During 2011, we enhanced our offerings of cloud services by acquiring Terremark Worldwide Inc. (Terremark), a global provider of information technology infrastructure and cloud services, and by acquiring a provider of cloud software technology. These acquisitions improved Verizon's competitive position in the managed hosting and cloud services space, enhanced our offerings to business and government customers globally and contributed to our growth in revenues.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers. In 2013, Mass Markets revenues were $17.3 billion, representing approximately 44% of Wireline's aggregate revenues.

Data services. We offer FiOS broadband and high-speed Internet data products with varying downstream and upstream processing speeds, including FiOS Quantum. With FiOS Quantum, customers can achieve download speeds up to 500 megabytes per second (Mbps) and upload speeds up to 100 Mbps. We believe that as consumers power more devices and stream more video, they will require increased broadband speeds. As of December 31, 2013, approximately 45% of our FiOS Internet subscribers subscribe to FiOS Quantum.

Video Services. We offer video service over our fiber-optic network. As of December 31, 2013, FiOS Video is available to approximately 15 million homes across 12 states, as well as the District of Columbia. We believe FiOS Video has features that differentiate it from the competition, including its channel line-up, Interactive Media Guide, Home Media DVR and breadth of high definition content, as well as the following:

- *Flex View* – With Flex View, FiOS customers can watch content anytime, anywhere, on any device. Customers who subscribe to FiOS Video and Internet also have the ability to upload their photos, music and videos to their personal Flex View Library, which gives them easy access to this content via any data-capable device. The HBO GO offering provides customers with unlimited access to HBO programming on any data capable device. Verizon's FiOS Video subscribers can also access Time's Broadcasting's online programming directly on the TBS and TNT sites and through Verizon FiOS Video Online. In addition, through FiOS TV Widgets, viewers have one-touch, on-demand access to local weather, traffic and community information, and popular social media applications, such as Facebook, YouTube and Twitter, as well as online commerce opportunities. The widget platform has evolved to an open-development environment, which provides opportunities for third parties to develop enhanced customer features via the FiOS Video product.
- *Customer Premise Equipment interoperability* – We continue to partner with major corporations to offer further interoperability with various products such as video game consoles, smart television sets and tablets. This technology further expands our initiative to provide customers with the ability to watch content anytime, anywhere, on any data capable device.

Voice services. We offer voice services that include local exchange, regional, long distance, wire maintenance and voice messaging services, as well as VoIP services, which use the Internet or private broadband networks to transmit voice

Global Enterprise

Global Enterprise offers Strategic services, including networking products and solutions, advanced communications services, and other core communications services to medium and large business customers, including multinational corporations, as well as state and federal government customers. Global Enterprise jointly markets these services with Verizon's other business units through Verizon Enterprise Solutions. In 2013, Global Enterprise revenues were $14.7 billion, representing approximately 38% of Wireline's aggregate revenues.

Strategic services. Strategic services consist of networking products and solutions, advanced communication services for voice and video, and security, infrastructure and cloud services.

Networking products and solutions primarily include:

- *Private IP* – This service, built on multiprotocol label switching, enables customers to leverage the efficiency, performance and value of IP in a secure manner. Our Private IP network allows customers to communicate over a private, secure network in more than 120 countries using a variety of access methods, including Ethernet and Verizon Wireless 4G LTE.
- *Other corporate networking services* – Other services primarily include Ethernet access and ring services. Ethernet services allow customers to connect network environments around the world and enable applications and technologies to work seamlessly and with little disruption. Ring services include technologies that help customers handle bandwidth demands and control their costs.

Advanced communication services primarily include:

- *IP communications* – Our IP communications services simplify network management and drive operational efficiencies by enabling the convergence of voice and data traffic on the same access connection.
- *Infrastructure and cloud services* – Our infrastructure and cloud services include Infrastructure as a Service (IaaS) and managed hosting services that provide enterprise customers with data center computing, data storage and network facilities connectivity, security, architecture and support, data center colocation services that house and protect customers' critical applications and systems, including several facilities that offer extensive carrier neutral options, application management services that provide customers with comprehensive monitoring and management of applications, and advanced enterprise-class cloud services that provide organizations with the ability to virtualize IT resources such as computing, memory and storage, enabling their constituents to produce, store, process, consume and share information.
- *Machine-to-Machine (M2M) Services* – Our acquisition of HUGHES Telematics in July 2012 provided a technology platform that we are leveraging in M2M markets, which has enabled us to further develop strategic partnerships in the automotive, transportation, energy, health monitoring, education and insurance industries. M2M services permit customers to connect and monitor equipment, such as medical devices, fleet management devices and utility monitoring devices. We believe that these services, which are enabled on a large scale by 4G LTE wireless technology, have the ability to reshape the way businesses operate and the way consumers interact with devices around them. Verizon offers platform-based solutions tailored to specific industries to enable value creation and new commercial business models. Our goal is to be a leader in implementing the next generation of connected services for vehicles, centered on a core platform of safety, security, fleet management, convenience and other offerings targeting commercial fleet operators, individual consumers and other customers.
- *Security* – We provide integrated solutions to help companies secure their networks and data through the following services:
  - *Security professional services* – Security consultants that construct security plans tailored to the needs of our customers,
  - *Governance, risk and compliance* – Allows customers to assess risk levels based on current security controls and develop plans to address security-related compliance objectives,
  - *Identity management* – Provides identity-based access management for customer data, application, and systems across multiple IT environments,
  - *Managed security* – We design, implement, and maintain a secure IT infrastructure for our clients and help them prevent, detect, and report security threats.
- *Other advanced communications services* – Other services primarily include dedicated Internet access, which provides enterprise customers with high-bandwidth dedicated access to Verizon's global network; unified communications and collaboration capabilities, which enable customers to communicate in real time through VoIP and IP conferencing; and emergency communication services, which allow customers to respond effectively to emergencies while maintaining business continuity.

Core services. Core services include core voice and data services, which consist of a comprehensive portfolio of global solutions utilizing traditional telecommunications technology, such as conferencing and contact center solutions, and private line and data access networks. Core services also include providing customer premise equipment installation, maintenance and site services. We are continuing to transition customers out of historical core services such as Frame Relay and Asynchronous Transfer Mode services.

Global Wholesale

Global Wholesale provides communications services including data, voice, local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers. In 2013, Global Wholesale revenues were $6.7 billion, representing approximately 17% of Wireline's aggregate revenues. A portion of Global Wholesale revenues is generated by a few large telecommunications companies, most of which compete directly with us.

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Global Wholesale provides the following services, which it jointly markets with Verizon's other business units through Verizon Enterprise Solutions:

- *Data services.* We offer a robust portfolio of data services with varying speeds and options to enhance our wholesale customers' networks and provide connections to their end users and subscribers. Our data services include high-speed digital data offerings, such as Ethernet and Synchronous Optical Network, as well as core data circuits such as DS1s and DS3s. In addition, data services include special access revenues that are generated from carriers that buy dedicated local exchange capacity to support their private networks.

  New Ethernet connectivity in the United States represents the largest data growth opportunity in wholesale, as we pursue our technology upgrade initiatives and customers look to the future and higher capacity demands. These customers are also migrating networks from time division multiplexing to Ethernet, which will better scale and service the growth in mobility and services driven by smartphones, mobile broadband and mobile video. Global Wholesale offers a complete suite of services to support the expansion of 4G and 3G networks.

  Data services also include certain value-added business services, which leverage many of the same offerings available in the Global Enterprise portfolio, including:
  - *Managed services* – Offers wholesale customers the opportunity to outsource the management of their networks, security, remote access, and web applications to Verizon,
  - *Mobility* – Enables wholesale customers to enhance their portfolio to triple-play or quad-play capability by leveraging wireless devices and services offered through Verizon Wireless and packaged and resold under their own carrier brand, and
  - *Security* – Provides wholesale customers integrated solutions to help their enterprise end-users secure their networks and data.
- *Voice services.* We provide switched access services that allow carriers to complete their end-user calls that originate or terminate within our territory.
- *Local services.* We offer an array of local dial tone and broadband services to competitive local exchange carriers, some of which are offered to comply with telecommunications regulations. In addition, we offer services such as colocation, resale and unbundled network elements in compliance with applicable regulations.

Other

Other services include such services as local exchange and long distance services derived from former MCI mass market customers and operator services. In 2013, Other revenues were $0.5 billion, representing approximately 1% of Wireline's aggregate revenues.

Strategic Initiatives

Technology developments, interconnected markets, shifting consumer needs and converging industry ecosystems are creating innovative opportunities for Verizon. Our vision is to be a globally-connected solutions company. Our market solutions are *designed to deliver best-in-class products and services, strengthen our competitive advantage in the marketplace and drive a high-*quality experience for our customers. To take advantage of these market trends, we have undertaken several strategic initiatives to further develop innovative products and services and enhance our market position in the following areas of focus:

- *Broadband.* Customers are increasingly consuming large amounts of broadband data as connected devices and associated online applications continue to experience significant growth. U.S. broadband usage has more than doubled in the past two years and we expect broadband usage to continue to increase. Our FiOS network positions us in the industry with leading *broadband speeds and reliability. Broadband represents a growth opportunity for us as the use of over-the-top video, user-*generated content and data, and connected homes and devices continue to accelerate.
- *Consumer and Enterprise Video.* Our FiOS Video service continues to experience consumer growth. We are enhancing our FiOS service by providing customers with increasing mobility options to view content in and out of the home to meet the demand for video consumption anywhere and at any time.
- *Cloud Services.* Capitalizing on market growth in cloud services and on enterprise trends toward outsourcing IT infrastructure and services, Verizon introduced an evolutionary cloud platform built for speed and performance, using our own software-based intellectual property and enterprise-grade reliability. Verizon Cloud Compute and Cloud Storage adopt a new approach to how public clouds are built, enabling customers of all sizes to take advantage of the agility and economic benefits of a generic public

cloud along with the reliability and scale of an enterprise-level service while maintaining control of performance Virtual machines (software-based computers and servers) can be created and deployed in seconds and users build and pay for what they need -

Our cloud infrastructure also enables real-time analytical capabilities for our M2M customers, providing an end-to-end capability where customers can store process and analyze large amounts of data on a real-time basis Our cloud infrastructure also has the ability to handle multiple instances of an application providing global support and availability of the applications without increased latency The integration of our cloud infrastructure with our telematics assets provides our customers with new and innovative service capabilities that are scalable, and which we believe are operationally superior to other bifurcated approaches

- *Security* With new technologies changing how enterprises do business, the cyber security landscape continues to evolve We believe that businesses are making business and customer data protection one of their highest priorities in order to protect their brand and enhance customer loyalty We believe that Verizon has an advantage in its ability to reduce cyber risks and mitigate the damaging impact of advanced cyber attacks due to the volume of traffic carried globally on our networks We will continue to advance our portfolio of forensics services and managed security services building new capabilities to identify risks and threats and expanding our IT Security professional services and outsourcing
- *Verizon Telematics* Our suite of real-time vehicle communications services and applications connects automobiles with content, services and call centers Our platform enables factory installed and aftermarket automotive safety and security as well as location-based services and vehicle diagnostics We provide usage-based data services to new vehicles in the United States and in 2013 we extended our agreement with two auto manufacturers to provide services for new vehicles in China and in Europe Through our In-Drive solution, we have partnered with a major automotive insurance provider to deliver usage-based insurance programs and other connected applications Our NetworkFleet solution provides commercial fleet managers throughout North America with real-time access to data that yields operational efficiencies increased vehicle reliability and improved driver safety We also provide this service to approximately 18,000 vehicles operated by Verizon We are further expanding our telematics portfolio to add asset tracking capabilities

In addition to these strategic areas of focus, we are investing in Verizon Labs and the Software Center of Excellence to support software development and architecture as well as development stage products and services We believe these investments will assist us in bringing innovative next-generation products and services to market and uncover new sources of revenue increase revenue of existing projects and leverage our strengths across the company

Network

To provide services to our customers, we operate an advanced telecommunications network in the United States and around the world

- *FiOS* Our goal is to distinguish FiOS as a premier residential broadband service in the United States As of December 31 2013 our FiOS service passed over 18 5 million premises and our latest FiOS Quantum service offerings now provide download speeds up to 500 Mbps and upload speeds up to 100 Mbps New services such as the FiOS Mobile App are also extending our TV experience to a host of mobile devices We expect bandwidth demands to grow with the continued emergence of new video and data applications and the proliferation of IP devices in the home

  The Passive Optical Network technology upon which the FiOS network is deployed positions Verizon to meet growing bandwidth requirements Our network architecture provides the flexibility to adapt our facilities more easily to future product development For example, new optical terminals can be added to the fiber-to-the-premise network providing greater bandwidth and new services without any additional field construction Select field trials have successfully achieved connection speeds of nearly one gigabit per second (Gbps), and when a more advanced next-generation technology has been connected to the fiber-optic network, connection speeds of 10 Gbps have been reached, demonstrating the significant growth capacity built into the FiOS platform

  Additionally, this advanced optical network is also finding increased application opportunities in the business sector, especially as the industry seeks to migrate to Ethernet-based access services
- *Global IP* Verizon owns and operates one of the largest global fiber networks with long haul metro and submarine cable assets providing connectivity to customers in over 150 countries Verizon's global network encompasses over 830,000 route miles of terrestrial and undersea cable, serving the business community to support and enable far reaching international operations

  Global IP traffic has increased substantially over the last five years and is expected to continue to grow significantly This global business is also rapidly evolving to an "everything-as-a-service" model in which business customers seek cloud-based, converged enterprise solutions delivered securely via managed and professional services With the continued deployment of its packet optical transport strategy, Verizon is creating a single, high-capacity global network platform that combines optical transport with advanced packet switching technology The result is a global IP network that can offer powerful solutions to these service demands.

  Although overall Wireline capital expenditures declined in 2013 compared to 2012 primarily as a result of decreased legacy spending requirements and a decline in spending on our FiOS network, we furthered our Global IP network expansion initiatives into Europe, Asia, Africa and South America, as well as the continued deployment of the industry's first commercial 100G Gbps technology on U S and European backbone routes More than 13 000 100G Ultra-Long-Haul route miles were added to the global IP network in 2013, and we plan to further extend our 100G technology in 2014

We believe that our continued focus on advancing our fiber-based networks and achieving cost efficient solutions through new technology deployments will help Verizon advance its position as a provider of choice to residential and enterprise customers.

Competition

The wireline telecommunications industry is highly competitive We expect competition to intensify further with traditional, non-traditional and emerging players seeking increased market share Current and potential competitors include cable companies, wireless service providers other domestic and foreign telecommunications providers, satellite television companies Internet service providers and other companies that offer network services and managed enterprise solutions

In addition companies with a global presence increasingly compete with our wireline businesses A relatively small number of telecommunications and integrated service providers with global operations serve customers in the global enterprise and to a lesser extent, global wholesale markets We compete with these full or near-full service providers for large contracts to provide integrated services to global enterprises Many of these companies have a strong market presence, brand recognition, and existing customer relationships all of which contribute to intensifying competition and which may affect our future revenue growth

We believe the following are the most important competitive factors and trends in the wireline industry

- *Customer service* Customers expect industry-leading service from their service providers As technologies and services evolve the ability to excel in this area is very important for customer acquisition and retention In Mass Markets we compete in this area through our service representatives and online support In Global Enterprise we provide our customers with ready access to their system and performance information, and we conduct proactive testing of our network to identify issues before they affect customers In the wholesale business we believe service improvement can be achieved through continued system automation initiatives
- *Network reliability and bandwidth speed* As both consumers and small business customers look to leverage high-speed connections for entertainment, communications and productivity, we expect broadband penetration will continue to increase over the next several years As online and online-enabled activities increase, so will bandwidth requirements, both downstream and upstream To succeed we and other network-based providers must ensure that our networks can deliver against these increasing bandwidth requirements We continue to invest in our network to be able to meet this future demand In addition network reliability and security are increasingly important competitive factors in the global enterprise market
- *Pricing* Cable, telecommunications companies and integrated service providers use pricing to capture market share from incumbents Pricing is also a significant factor as non-traditional modes of providing communication services emerge and new entrants compete for customers For example, VoIP and portal-based calling is free or nearly free to customers and is often supported by advertising revenues
- *Product differentiation* As a result of pricing pressures, providers need to differentiate their products and services Customers are shifting their focus from access to applications and are seeking ways to leverage their broadband and video connections Converged features, such as integrated wireless and wireline functionality, are becoming similarly important, driven by both customer demand and technological advancement

In the Mass Markets business, cable operators are significant competitors Cable operators have increased the size and digital capacity of their networks so that they can offer digital products and services We continue to market competitive bundled offerings that include high-speed Internet access digital television and voice services Several major cable operators also offer bundles with wireless services through strategic relationships

In addition, wireless substitution is an ongoing competitive trend which we expect to continue as wireless companies position their service as a landline alternative We also face increasing competition from cable companies and other providers of VoIP services as well as Internet portal providers

As a result of the Telecommunications Act of 1996, which requires us to allow potential competitors to purchase our services for resale or access components of our network on an unbundled basis at a prescribed cost competition in our local exchange markets continues Our telephone operations generally have been required to sell their services to competitive local exchange carriers at significant discounts from the prices our telephone operations charge their retail customers The scope of these obligations going forward and the rates we receive are subject to ongoing review and revision by the FCC and state regulators (See Regulation and Competitive Trends in the 2013 Verizon Annual Report to Shareowners)

In the global enterprise market, the customer s need to reduce technical complexity coupled with the growth opportunity created by technology convergence is driving the expansion of the competitive landscape Major competitors include systems integrators carriers and hardware and software providers Some of the biggest companies in IT services are either making acquisitions or forging new alliances to be better positioned for a rebound in technology spending Most new alliances and acquisitions have focused on emerging fields such as cloud computing software delivery, communication applications and other computing tasks

via the network, rather than on in-house machines. Carriers have also utilized acquisitions to make significant inroads into enterprise outsourcing markets that have long been dominated by the major IT outsourcers.

Global Wholesale competes with traditional carriers for long-haul voice and IP services. In addition, mobile video and data needs are driving a greater need for wireless backhaul. Network providers, cable companies and niche players are competitors for this new revenue opportunity.

Patents, Trademarks and Licenses

Verizon owns or has licenses to various patents, copyrights, trademarks, domain names and other intellectual property rights necessary to conduct our business. We actively pursue the filing and registration of patents, copyrights, domain names, trademarks and service marks to protect our intellectual property rights within the United States and abroad. Verizon also actively grants licenses, in exchange for appropriate fees or other consideration and subject to appropriate safeguards and restrictions, to other companies that enable such companies to utilize certain Verizon intellectual property rights and proprietary technology as part of their products and services. Such licenses enable such third party licensees to take advantage of the results of Verizon's research and development efforts. While these licenses result in valuable consideration being paid to Verizon, we do not believe that loss of such consideration, or the expiration of any of our intellectual property rights, would have a material effect on our results of operations.

Verizon periodically receives offers from third parties to purchase or obtain licenses for patents and other intellectual property rights in exchange for royalties or other payments. We also periodically receive notices alleging that our products or services infringe on third party patents or other intellectual property rights. These claims, whether against us directly or against third-party suppliers of products or services that we, in turn, sell to our customers, if successful, could require us to pay damages or royalties or cease offering the relevant products or services.

Acquisitions and Divestitures

"Acquisitions and Divestitures" on pages 32 through 33 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Regulatory and Competitive Trends

"Regulatory and Competitive Trends" included in "Other Factors That May Affect Future Results" on pages 34 through 35 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Environmental Matters

"Environmental Matters" included in "Other Factors That May Affect Future Results" on page 35 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Executive Officers

See Part III, Item 10 "Directors, Executive Officers and Corporate Governance" of this Annual Report on Form 10-K for information about our executive officers.

Employees

As of December 31, 2013, Verizon and its subsidiaries had approximately 176,800 employees. Unions represent approximately 28% of our employees.

Information on Our Internet Website

We make available, free of charge on our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports at www.verizon.com/investor. Verizon has adopted a code of ethics, as that term is defined in Item 406(b) of Regulation S-K, which applies to our Chief Executive Officer, Chief Financial Officer and Controller. A copy of this code may be found on our website at www.verizon.com/investor. Any amendments to this code or any waiver of this code for any executive officer will be posted on that website.

Cautionary Statement Concerning Forward-Looking Statements

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all;
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing;
- significantly increased levels of indebtedness as a result of the Wireless Transaction;
- changes in tax laws or treaties, or in their interpretation;
- adverse conditions in the U.S. and international economies;
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact;
- material changes in technology or technology substitution;
- disruption of our key suppliers' provisioning of products or services;
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks;
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance;
- *the effects of competition in the markets in which we operate;*
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings;
- significant increases in benefit plan costs or lower investment returns on plan assets; and
- the inability to implement our business strategies.

The following discussion of "Risk Factors" identifies the most significant factors that may adversely affect our business, operations, financial condition or future performance. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes. The following discussion of risks is not all-inclusive but is designed to highlight what we believe are important factors to consider when evaluating our business and expectations. These factors could cause our future results to differ materially from our historical results and from expectations reflected in forward-looking statements.

Adverse conditions in the U.S. and international economies could impact our results of operations.

Unfavorable economic conditions, such as a recession or economic slowdown in the United States or elsewhere, could negatively affect the affordability of and demand for some of our products and services. In difficult economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of our products, electing to use fewer higher margin services or obtaining lower-cost products and services offered by other companies. Similarly, under these conditions, the business customers that we serve may delay purchasing decisions, delay full implementation of service offerings or reduce their use of services. In addition, adverse economic conditions may lead to an increased number of our consumer and business customers that are unable to pay for services. If these events were to occur, it could have a material adverse effect on our results of operations.

We face significant competition that may reduce our profits.

We face significant competition in our industry. The rapid development of new technologies, services and products has eliminated many of the traditional distinctions among wireless, cable, Internet, local and long distance communication services and brought new competitors to our markets, including other telephone companies, cable companies, wireless service providers, satellite providers, application and device providers, electric utilities and providers of VoIP services. While these changes have enabled us to offer new types of products and services, they have also allowed other providers to broaden the scope of their own competitive offerings. Our ability to compete effectively will depend on, among other things, our network quality, capacity and coverage, the pricing of our products and services, the quality of our customer service, our development of new and enhanced products and services, the reach and quality of our sales and distribution channels and our capital resources. It will also depend on how successfully we anticipate and respond to various factors affecting our industry, including new technologies and business models, changes in consumer preferences and demand for existing services, demographic trends and economic conditions. If we are not able to respond successfully to these competitive challenges, we could experience reduced profits.

If we are not able to adapt to changes in technology and address changing consumer demand on a timely basis, we may experience a decline in the demand for our services, be unable to implement our business strategy and experience reduced profits.

Our industry is experiencing rapid change as new technologies are developed that offer consumers an array of choices for their communications needs. In order to grow and remain competitive, we will need to adapt to future changes in technology, enhance our existing offerings and introduce new offerings to address our customers' changing demands. If we are unable to meet future challenges from competing technologies on a timely basis or at an acceptable cost, we could lose customers to our competitors. We may not be able to accurately predict technological trends or the success of new services in the market. In addition, there could be legal or regulatory restraints on our introduction of new services. If our services fail to gain acceptance in the marketplace or if costs associated with implementation and completion of the introduction of these services materially increase, our ability to retain and attract customers could be adversely affected.

In addition to introducing new technologies and offerings, we must phase out outdated and unprofitable technologies and services. If we are unable to do so on a cost-effective basis, we could experience reduced profits. In addition, there could be legal or regulatory restraints on our ability to phase out current services.

We depend on key suppliers and vendors to provide equipment that we need to operate our business.

We depend on various key suppliers and vendors to provide us, directly or through other suppliers, with equipment and services, such as switch and network equipment and handsets, that we need in order to operate our business and provide products to our customers. For example, our handset and other device suppliers often rely on only a few vendors for the manufacture and supply of critical components, such as chipsets, used in their devices. If these suppliers or vendors fail to provide equipment or services on a timely basis or fail to meet our performance expectations, we may be unable to provide products and services as and when required by our customers. We also may be unable to continue to maintain or upgrade our networks. Because of the costs and time lags that

can be associated with transitioning from one supplier to another, our business could be substantially disrupted if we were required to or chose to replace the products or services of one or more major suppliers with products or services from another source, especially if the replacement became necessary on short notice. Any such disruption could increase our costs, decrease our operating efficiencies and have a material adverse effect on our business, results of operations and financial condition.

The suppliers and vendors on which we rely may also be subject to litigation with respect to technology on which we depend, including litigation involving claims of patent infringement. Such claims have been growing rapidly in the communications industry. We are unable to predict whether our business will be affected by any such litigation. We expect our dependence on key suppliers to continue as we develop and introduce more advanced generations of technology.

Changes in the regulatory framework under which we operate could adversely affect our business prospects or results of operations.

Our domestic operations are subject to regulation by the FCC and other federal, state and local agencies and our international operations are regulated by various foreign governments and international bodies. These regulatory regimes frequently restrict or impose conditions on our ability to operate in designated areas and to provide specified products or services. We are frequently required to maintain licenses for our operations and conduct our operations in accordance with prescribed standards. We are often involved in regulatory and other governmental proceedings related to the application of these requirements. It is impossible to predict with any certainty the outcome of pending federal and state regulatory proceedings relating to our operations, or the reviews by federal or state courts of regulatory rulings. Without relief, existing laws and regulations may inhibit our ability to expand our business and introduce new products and services. Similarly, we cannot guarantee that we will be successful in obtaining the licenses needed to carry out our business plan or in maintaining our existing licenses. For example, the FCC grants wireless licenses for terms generally lasting 10 years, subject to renewal. The loss of, or a material limitation on, certain of our licenses could have a material adverse effect on our business, results of operations and financial condition.

New laws or regulations or changes to the existing regulatory framework at the federal, state and local, or international level could restrict the ways in which we manage our wireline and wireless networks, impose additional costs, impair revenue opportunities and potentially impede our ability to provide services in a manner that would be attractive to us and our customers. For example, certain services could be subject to conflicting regulation by the FCC and/or various state and local authorities, which could significantly increase the cost of implementing and introducing new services. As another example, we hold certain wireless licenses that require us to comply with so-called "open access" FCC regulations, which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice. In addition, our broadband Internet access services are subject to various attempts to impose so-called "network neutrality" rules, some of which were affirmed and others vacated on appeal in early 2014. Proponents of these rules want to limit the ways that a broadband Internet access service provider can structure business arrangements and manage its network. The further regulation of broadband, wireless, and our other activities and any related court decisions could restrict our ability to compete in the marketplace and limit the return we can expect to achieve on past and future investments in our networks.

Cyber attacks or other breaches of network or information technology security could have an adverse effect on our business.

Cyber attacks or other breaches of network or information technology (IT) security may cause equipment failures or disruptions to our operations. Our inability to operate our wireline or wireless networks as a result of such events, even for a limited period of time, may result in significant expenses and/or loss of market share to other communications providers. In addition, the potential liabilities associated with these events could exceed the insurance coverage we maintain. Cyber attacks, which include the use of malware, computer viruses and other means for disruption or unauthorized access, on companies, including Verizon, have increased in frequency, scope and potential harm in recent years. While to date we have not been subject to cyber attacks or other cyber incidents which, individually or in the aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber attack in the future. The costs associated with a major cyber attack on Verizon could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cyber security measures, lost revenues from business interruption and litigation. Further, certain of Verizon's businesses, including the provisioning of security solutions and infrastructure and cloud services to business customers, could be negatively affected if our ability to protect our own networks is called into question as a result of a cyber attack. In addition, if we fail to prevent the theft of valuable information such as financial data, sensitive information about Verizon and intellectual property, or if we fail to protect the privacy of customer and employee confidential data against breaches of network or IT security, it could result in damage to our reputation, which could adversely impact customer and investor confidence. Any of these occurrences could result in a material adverse effect on our results of operations and financial condition.

Natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations.

Our business operations are subject to interruption by natural disasters, power outages, terrorist attacks, other hostile acts and events beyond our control. Such events could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers. While we maintain insurance coverage for some of these events, the potential liabilities associated with these events could exceed the insurance coverage we maintain. Our system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. These events could also damage the infrastructure of the suppliers that provide us with the equipment and services we need to operate our business and provide products to our customers. A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to our reputation.

Verizon's debt has increased significantly and could increase further if Verizon incurs additional debt in the future and does not retire existing debt.

As of December 31, 2013, Verizon had approximately $93.6 billion of outstanding indebtedness, as well as approximately $6.1 billion of unused borrowing capacity under its existing credit facility. Since that date, Verizon has incurred $20.3 billion of additional indebtedness and became entitled to draw upon an additional $2 billion of borrowing capacity under a 364-day revolving credit agreement. Verizon's debt level and related debt service obligations could have negative consequences, including:

- requiring Verizon to dedicate significant cash flow from operations to the payment of principal, interest and other amounts payable on its debt and the preferred stock issued by the entity acquired from Vodafone, which would reduce the funds Verizon has available for other purposes, such as working capital, capital expenditures and acquisitions;

- making it more difficult or expensive for Verizon to obtain any necessary future financing for working capital, capital expenditures, debt service requirements, debt refinancing, acquisitions or other purposes;
- reducing Verizon's flexibility in planning for or reacting to changes in its industry and market conditions;
- making Verizon more vulnerable in the event of a downturn in its business; and
- exposing Verizon to increased interest rate risk given that a portion of its debt obligations are at variable interest rates.

In addition, the term loan agreement Verizon entered into in connection with the Wireless Transaction requires Verizon to maintain a certain leverage ratio unless Verizon's credit ratings are at or above a certain level, which could limit Verizon's ability to obtain additional financing in the future.

Adverse changes in the credit markets could increase our borrowing costs and the availability of financing.

We require a significant amount of capital to operate and grow our business. We fund our capital needs in part through borrowings in the public and private credit markets. Adverse changes in the credit markets, including increases in interest rates, could increase our cost of borrowing and/or make it more difficult for us to obtain financing for our operations or refinance existing indebtedness. In addition, our borrowing costs can be affected by short- and long-term debt ratings assigned by independent rating agencies which are based, in significant part, on our performance as measured by customary credit metrics. A decrease in these ratings would likely increase our cost of borrowing and/or make it more difficult for us to obtain financing. A severe disruption in the global financial markets could impact some of the financial institutions with which we do business and such instability could also affect our access to financing.

Increases in costs for pension benefits and active and retiree healthcare benefits may reduce our profitability and increase our funding commitments.

With approximately 176,800 employees and approximately 209,000 retirees as of December 31, 2013 eligible to participate in Verizon's benefit plans, the costs of pension benefits and active and retiree healthcare benefits have a significant impact on our profitability. Our costs of maintaining these plans, and the future funding requirements for these plans, are affected by several factors, including the continuing implementation of the provisions of the Patient Protection and Affordable Care Act and the Health Care Education Reconciliation Act of 2010, increases in healthcare costs, decreases in investment returns on funds held by our pension and other benefit plan trusts and changes in the discount rate used to calculate pension and other postretirement expenses. If we are unable to limit future increases in the costs of our benefit plans, those costs could reduce our profitability and increase our funding commitments.

A significant portion of our workforce is represented by labor unions, and we could incur additional costs or experience work stoppages as a result of the renegotiation of our labor contracts.

As of December 31, 2013, approximately 28% of our workforce was represented by labor unions. We are currently engaged in contract negotiations with labor unions representing approximately 2,900 employees of our wireline business, and we will engage in additional negotiations as other labor contracts expire in the future. Depending on the outcome of these negotiations, we could incur additional costs and/or experience lengthy work stoppages, which could adversely affect our business operations, including causing a loss of revenue and strained relationships with customers.

We are subject to a significant amount of litigation, which could require us to pay significant damages or settlements.

Our business faces a substantial amount of litigation, including from time to time patent infringement lawsuits, antitrust class actions, wage and hour class actions, personal injury claims and lawsuits relating to our advertising, sales, billing and collection practices. In addition, our wireless business also faces personal injury and consumer class action lawsuits relating to alleged health effects of wireless phones or radio frequency transmitters and class action lawsuits that challenge marketing practices and disclosures relating to alleged adverse health effects of handheld wireless phones. We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards or settlements.

Sales of shares of Verizon common stock after the completion of the Wireless Transaction may cause the market price of Verizon common stock to fall.

As of December 31, 2013, Verizon had approximately 2.86 billion shares of common stock outstanding. Verizon issued approximately 1.27 billion shares of Verizon common stock in connection with the Wireless Transaction. The issuance of these new shares of Verizon common stock could have the effect of depressing the market price for Verizon common stock.

In addition many Vodafone shareholders are already shareholders of Verizon and those shareholders may decide not to hold the additional Verizon shares they received in the Wireless Transaction Other Vodafone shareholders such as funds with geographic limitations on their permitted investments, may be required to sell the shares of Verizon common stock that they received in the Wireless Transaction Such sales of Verizon common stock could also have the effect of depressing the market price for Verizon common stock

None

Our principal properties do not lend themselves to simple description by character and location Our total investment in plant, property and equipment was approximately $221 billion at December 31 2013 and $210 billion at December 31 2012 including the effect of retirements but before deducting accumulated depreciation Our gross investment in plant property and equipment consisted of the following

At December 31	2013	2012
Network equipment	80.1%	79.7%
Land, buildings and building equipment	11.2%	11.3%
Furniture and other	8.7%	9.0%
	100.0%	100.0%

Our properties as a percentage of total properties are as follows

At December 31,	2013	2012
Wireline	61.3%	62.4%
Wireless	37.7%	36.5%
Other	1.0%	1.1%
	100.0%	100.0%

Network equipment consists primarily of cable (aerial, buried underground or undersea) and the related support structures of poles and conduit, wireless plant, switching equipment, network software transmission equipment and related facilities Land, buildings and building equipment consists of land and land improvements, central office buildings or any other buildings that house network equipment, and buildings that are used for administrative and other purposes Substantially all the switching centers are located on land and in buildings we own due to their critical role in the network and high set-up relocation costs We also maintain facilities throughout the United States comprised of administrative and sales offices, customer care centers, retail sales locations, garage work centers, switching centers, cell sites and data centers Furniture and other consists of telephone equipment furniture, data processing equipment, office equipment, motor vehicles, plant under construction, capitalized non-network computer software costs and leasehold improvements A portion of our property is subject to the liens of their respective mortgages securing funded debt

On September 15, 2010, the U.S. Bank National Association (U.S. Bank), as Litigation Trustee for the Idearc Inc. Litigation Trust (Litigation Trust), filed suit in U.S. District Court for the Northern District of Texas against Verizon and certain subsidiaries challenging the November 2006 spin-off of Verizon's former directories business then known as Idearc Inc. U.S. Bank, which represents a group of creditors who filed claims in Idearc's bankruptcy, alleged that Idearc was insolvent at the time of the spin-off or became insolvent shortly thereafter. The Litigation Trust sought over $9 billion in damages. Following a two-week trial in October 2012 limited to the question of the value of Idearc, Inc. on the date of the spin-off on January 27, 2013, the Court issued a decision finding that the value was "at least $12 billion." As $12 billion exceeds the value of the debt and cash that Idearc transferred to Verizon on the date of the spin-off, the Court issued a related Order to Show Cause directing the Litigation Trust to submit a brief that "explains why any (or all) of its legal claims are viable in light of the court's finding on Idearc's value." In its June 18, 2013 decision, the Court entered judgment for Verizon and its subsidiaries and ruled that U.S. Bank would "take nothing" on its claims. U.S. Bank appealed the decision to the U.S. Court of Appeals for the Fifth Circuit, where briefing is scheduled to be completed in the first quarter of 2014.

On October 25, 2011, a Litigation Trust created during the bankruptcy proceedings of FairPoint Communications, Inc. filed a complaint in state court in Mecklenburg County, North Carolina, against Verizon and other related entities. The complaint claims that FairPoint's acquisition of Verizon's landline operations in Maine, New Hampshire and Vermont in March 2008 was structured and carried out in a way that left FairPoint insolvent or led to its insolvency shortly thereafter and ultimately to its October 2009 bankruptcy. The Litigation Trust seeks approximately $2 billion in damages. Verizon removed the case to the United States District Court for the Western District of North Carolina in November 2011. At the close of discovery in February 2012, Verizon filed a summary judgment motion to dismiss the two counts in the complaint—constructive fraudulent transfer and actual fraudulent transfer. On June 12, 2013, the Court granted Verizon's summary judgment motion in part, dismissing the Litigation Trust's constructive fraudulent transfer claim. A two-week bench trial limited to the actual fraudulent transfer claim concluded December 15, 2013.

In October 2013, the California Attorney General's Office notified Verizon California Inc. and other Verizon companies of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation and continue to review our operations relating to the management of hazardous waste. While penalties relating to the alleged violations could exceed $100,000, we do not expect that any penalties ultimately incurred will be material.

None

The principal market for trading in the common stock of Verizon is the New York Stock Exchange. As of December 31, 2013, there were 585,931 shareowners of record.

High and low stock prices as reported on the New York Stock Exchange composite tape of transactions and dividend data are as follows:

		Market Price		Cash Dividend
		High	Low	Declared
2013	Fourth Quarter	$ 51.49	$ 46.03	$ .530
	Third Quarter	51.94	45.08	.530
	Second Quarter	54.31	47.77	.515
	First Quarter	49.59	41.50	.515
2012	Fourth Quarter	$ 47.32	$ 40.51	$ .515
	Third Quarter	46.41	42.18	.515
	Second Quarter	44.77	36.80	.500
	First Quarter	40.48	37.07	.500

On February 3, 2011, the Board approved a share buyback program which authorized the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2014. The Board also determined that no additional shares were to be purchased under the previously authorized buyback program. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs. The Company may also enter into Rule 10b5-1 plans from time to time to facilitate repurchases of its shares under this authorization. A Rule 10b5-1 plan permits the Company to repurchase shares at times when it might otherwise be prevented from doing so provided the plan is adopted when the Company is not aware of material non-public information.

During the fourth quarter of 2013, Verizon did not repurchase any shares of Verizon common stock. At December 31, 2013, the maximum number of shares that could be purchased by or on behalf of Verizon under our share buyback program was 96.5 million.

For other information required by this item, see the section entitled "Stock Performance Graph" on page 9 of the 2013 Verizon Annual Report to Shareowners, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Selected Financial Data" on page 9, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 10 through 25, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Market Risk" on page 39, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners on pages 38 through 71, which is incorporated herein by reference.

None

Our chief executive officer and chief financial officer have evaluated the effectiveness of the registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this Annual Report, that ensure that information relating to the registrant which is required to be disclosed in this report is recorded, processed, summarized and reported within required time periods. Based on this evaluation, our chief executive officer and chief financial officer have concluded that the registrant's disclosure controls and procedures were effective as of December 31, 2013.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes intended to ensure an effective internal control environment. We are continuing an initiative to implement new financial systems that will continue in phases over the next several quarters. We are also continuing an initiative to standardize and centralize transaction-processing activities within our accounting processes, which we expect to continue over the next several years. These initiatives will incorporate certain changes in personnel as well. In connection with these initiatives and the resulting changes in our financial systems and transaction-processing activities, the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective.

Except as noted above, there were no changes in the Company's internal control over financial reporting during the fourth quarter of 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's report on internal control over financial reporting and the attestation report of Verizon's independent registered public accounting firm are included in the 2013 Verizon Annual Report to Shareowners on pages 36 and 37 and are incorporated herein by reference.

None.

Set forth below is information with respect to our executive officers.

Name	Age	Office	Held Since
Lowell C. McAdam	59	Chairman and Chief Executive Officer	2011
Roy H. Chestnutt	54	Executive Vice President – Strategy, Development and Planning	2013
Roger Gurnani	53	Executive Vice President and Chief Information Officer	2010
Daniel S. Mead	60	Executive Vice President and President and Chief Executive Officer – Verizon Wireless	2010
Anthony J. Melone	53	Executive Vice President and Chief Technology Officer	2010
Randal S. Milch	55	Executive Vice President – Public Policy and General Counsel	2008
W. Robert Mudge	54	President - Consumer and Mass Business Markets	2012
Marc C. Reed	55	Executive Vice President and Chief Administrative Officer	2004
Francis J. Shammo	53	Executive Vice President and Chief Financial Officer	2010
Anthony T. Skiadas	45	Senior Vice President and Controller	2013
John G. Stratton	52	Executive Vice President and President – Verizon Enterprise Solutions	2012
Mami M. Walden	46	Executive Vice President and President – Product and New Business Innovation	2014

Prior to serving as an executive officer, each of the above officers has held high-level managerial positions with the Company or one of its subsidiaries for at least five years, with the exception of Mr. Chestnutt, who has been with the Company since 2011. Officers are not elected for a fixed term of office and may be removed from office at any time at the discretion of the Board of Directors.

Roy H. Chestnutt is Executive Vice President – Strategy, Development and Planning for Verizon. From the time he joined the Company in 2011 until he was appointed to his current role in January 2013, Mr. Chestnutt was Senior Vice President of Corporate Strategy. Prior to joining Verizon, Mr. Chestnutt served as Corporate Vice President of the Americas at Motorola Networks from June 2010 to June 2011, and from 2006 to 2009, Mr. Chestnutt was Chairman and Chief Executive Officer of Grande Communications Networks (Grande), a facilities-based provider of bundled communications services. Prior to joining Grande, Mr. Chestnutt held a variety of management positions with Sprint-Nextel Corporation, Nextel Communications and AirTouch Communications.

Set forth below is information with respect to Directors currently in office who are retiring from the Board of Directors in April 2014 and are not standing for re-election.

Sandra O. Moose

Dr. Moose, 72, is President of Strategic Advisory Services LLC, a consulting firm. She was Senior Managing Partner of The Boston Consulting Group, Inc. (BCG) until 2004. At BCG, Dr. Moose provided strategic planning, operational effectiveness and related consulting services to global clients in a variety of industries, including consumer and industrial goods, financial services and telecommunications, over a 35-year career. Dr. Moose was a principal founder of BCG's Financial Services practice and a key contributor to the development of the firm's early management concepts. She led BCG's New York office from 1988 to 1998 and was Chair of the East Coast region, which accounted for approximately 20% of BCG's overall revenues, from 1994 to 1999.

Dr. Moose's experience at BCG as a strategic advisor to diverse clients enables her to advise the Board and senior management on key issues of corporate strategy, including with respect to global growth, consumer goods and telecommunications issues. In addition to her strategic planning expertise, Dr. Moose has been the chair or presiding director of several public companies and several charitable organizations, which has given her extensive expertise in corporate governance. Dr. Moose also brings to the Board substantial financial expertise and insights into the views of institutional investors, which are important to Verizon as a public company.

Dr. Moose has served as a Director of Verizon since 2000 and was a director of GTE Corporation from 1978 to 2000. She is Presiding Director, Chairperson of the Corporate Governance and Policy Committee and a member of the Audit Committee. Dr. Moose is also Chairperson of the Board of Trustees of Nations Advisor Funds (which she has served as a trustee of the funds and their predecessors since 1982) and Loomis Sayles Funds (where she has served as a trustee since 2001) and a director of The AES Corporation (since 2004). In the past five years, Dr. Moose has served on the Board of Rohm and Haas Company as its lead director.

Joseph Neubauer

Mr. Neubauer, 72, is Chairman of ARAMARK Holdings Corporation and its subsidiary, ARAMARK Corporation, a professional services company. Until May 2012, he was also the Chief Executive Officer. He has served in those roles with ARAMARK and its predecessors for more than 25 years. ARAMARK's approximately 272,600 employees provide food, hospitality, facilities and uniform services in 22 countries and generated $13.9 billion in revenue during its 2013 fiscal year. Mr. Neubauer joined ARAMARK's predecessor, ARA Services, in 1979 as Executive Vice President of Finance and Development, Chief Financial Officer and a director. He was elected President in 1967, Chief Executive Officer in 1983 and Chairman in 1985.

During his long tenure as Chairman and Chief Executive Officer of ARAMARK, Mr. Neubauer gained business and management experience leading a large, complex organization with international operations and a large, diverse workforce. This experience gives him a thorough understanding of many important issues facing Verizon. Mr. Neubauer brings to the Board, along with other skills and qualifications, extensive expertise in corporate finance, strategy and development. His broad background in hospitality and professional services, as well as his in-depth knowledge of consumer services, gives Mr. Neubauer insights on reaching retail and business customers, which is critical to Verizon's success.

Mr. Neubauer has served as a Director of Verizon since 1995 and is Chairperson of the Human Resources Committee. He is also a director of Macy's, Inc. (since 1992).

Hugh B. Price

Mr. Price, 72, is a Non-Resident Senior Fellow at The Brookings Institution, an independent research and policy institute. Mr. Price was President and Chief Executive Officer of the National Urban League from 1994 until 2003. During that time, Mr. Price restructured its board of directors, developed a new mission for the League and established its research and policy center.

Following his work at the National Urban League, Mr. Price was Senior Advisor of DLA Piper Rudnick Gray Cary US LLP from 2003 to 2005 and a Non-Resident Senior Fellow of the Economic Studies Program at The Brookings Institution from 2006 to 2008. From 2008 to June 2013, he served as a visiting professor at the Woodrow Wilson School at Princeton University. Prior to joining the National Urban League, Mr. Price held a variety of positions in journalism, law and public interest organizations, including serving on the Editorial Board of *The New York Times*.

Mr Price brings to the Board, among other skills and qualifications a wide range of experience in leadership positions in both the private and non-profit sectors As a result of his experience at the National Urban League and The Brookings Institution, Mr Price is able to advise the Board and senior management on economic, government and public interest issues His extensive management and leadership experience enables him to provide insights on corporate governance matters He also has expertise in strategic planning, operations management and business services, which are critical issues for Verizon

Mr Price has served as a Director of Verizon since 1997 and was a Director of NYNEX Corporation from 1995 to 1997 He is a member of the Corporate Governance and Policy Committee Mr Price is also a director of MetLife Inc (since 1999) and Metropolitan Life Insurance Company (since 1994)

Other information required by this item is incorporated by reference to the biographies of the Directors standing for re-election on pages 11-16 of Exhibit 99 the section entitled Section 16(a) Beneficial Ownership Reporting Compliance" on page 59 of Exhibit 99 the section entitled Business Conduct and Ethics' on page 2 of Exhibit 99 and the information relating to the Audit Committee on page 5 of Exhibit 99 There have been no material changes to shareholder nominating procedures

Information with respect to executive compensation is incorporated by reference to the sections entitled Compensation Discussion and Analysis" and Compensation Tables on pages 31-57 of Exhibit 99 The Compensation Committee Report is incorporated by reference to page 31 of Exhibit 99 There were no compensation committee interlocks or insider transactions required to be disclosed pursuant to Item 407(e)(4) of Regulation S-K under the Securities Exchange Act of 1934

Information with respect to security ownership is incorporated by reference to the section entitled Security Ownership of Certain Beneficial Owners and Management" on pages 57-59 of Exhibit 99

The following table provides information as of December 31, 2013 for (i) all equity compensation plans previously approved by the Company's shareholders, and (ii) all equity compensation plans not previously approved by the Company's shareholders Since May 9 2009 the Company has only issued awards under the 2009 Verizon Communications Inc Long-Term Incentive Plan (2009 LTIP) which provides for awards of stock options, restricted stock, restricted stock units, performance stock units and other equity-based hypothetical stock units to employees of Verizon and its subsidiaries No new awards are permitted to be issued under any other equity compensation plan In accordance with SEC rules the table does not include outstanding awards that are payable solely in cash by the terms of the award, and such awards do not reduce the number of shares remaining for issuance under the 2009 LTIP

Plan category	Number of securities to be issued upon exercise of outstanding options warrants and rights (a)	Weighted-average exercise price of outstanding options warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	17,133,926 (1)	$ 34.35 (2)	99,062,483 (3)
Equity compensation plans not approved by security holders	248,756 (4)	--	--
Total	**17,382,682**	**$ 34.35**	**99,062,483**

(1) This amount includes 982,881 shares of common stock subject to outstanding stock options, 16,120,285 shares of common stock subject to outstanding restricted stock units and performance stock units, and 30,760 shares subject to outstanding deferred stock units, in each case including, for awards other than stock options, dividend equivalents accrued on such awards through December 31, 2013 This does not include performance stock units, deferred stock units and deferred share equivalents payable solely in cash None of the outstanding stock options include tandem dividend equivalent rights

(2) This number reflects the weighted average exercise price of outstanding stock options Verizon's outstanding restricted stock units, performance stock units and deferred stock units do not have exercise prices associated with the settlement of these awards

(3) This number reflects the number of shares of common stock that remained available for future issuance under the 2009 LTIP

(4) This number reflects shares subject to deferred stock units credited to the Verizon Income Deferral Plan, which were awarded in 2002 under the Verizon Communications Broad-Based Incentive Plan No new awards are permitted to be issued under this plan

Information with respect to transactions with related persons is incorporated by reference to the section entitled "Related Person Transaction Policy" on pages 2-3 of Exhibit 99 Information with respect to Director independence, is incorporated by reference to the section entitled "Independence" on page 3 of Exhibit 99

Information with respect to principal accountant fees and services is incorporated by reference to the section entitled Ratification of Appointment of Independent Registered Public Accounting Firm" on page 17 of Exhibit 99

(a) Documents filed as part of this report

		Page
(1)	Report of Management on Internal Control Over Financial Reporting	*
(2)	Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting	*
(3)	Report of Independent Registered Public Accounting Firm on Financial Statements	*
	Financial Statements covered by Report of Independent Registered Public Accounting Firm	
	Consolidated Statements of Income	*
	Consolidated Statements of Comprehensive Income	*
	Consolidated Balance Sheets	*
	Consolidated Statements of Cash Flows	*
	Consolidated Statements of Changes in Equity	*
	Notes to Consolidated Financial Statements	*
	* Incorporated herein by reference to the appropriate portions of the registrant's Annual Report to Shareowners for the fiscal year ended December 31 2013 (See Part II)	
(2)	Financial Statement Schedule	
	II - Valuation and Qualifying Accounts	28
(3)	Exhibits	

Exhibit Number	Description
3a(i)	Restated Certificate of Incorporation of Verizon Communications Inc (Verizon) (filed as Exhibit 3a to Form 10-K for the year ended December 31, 2005 and incorporated herein by reference)
3a(ii)	Certificate of Amendment of Restated Certificate of Incorporation of Verizon, effective February 4 2014
3b	Bylaws of Verizon as amended, effective as of December 3 2009 (filed as Exhibit 3b to Form 8-K dated December 7, 2009 and incorporated herein by reference)
4a	Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp and U S Bank National Association as successor trustee to Wachovia Bank, National Association formerly known as First Union National Bank as Trustee dated as of December 1, 2000 (incorporated by reference to Verizon Global Funding Corp s Registration Statement on Form S-4 Registration No 333-64792 Exhibit 4 1)
4b	First Supplemental Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp and U S Bank National Association as successor trustee to Wachovia Bank, National Association formerly known as First Union National Bank as Trustee, dated as of May 15 2001 (incorporated by reference to Verizon Global Funding Corp s Registration Statement on Form S-3, Registration No 333-67412 Exhibit 4 2)
4c	Second Supplemental Indenture between Verizon, both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association, as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee, dated as of September 29, 2004 (incorporated by reference to Form 8-K filed on February 9, 2006, Exhibit 4 1)
4d	Third Supplemental Indenture between Verizon, both individually and as successor in interest to Verizon Global Funding Corp , and U S Bank National Association, as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee, dated as of September 29, 2004 (incorporated by reference to Form 8-K filed on February 9 2006 Exhibit 4 2)
	Except for Exhibits 4a – 4d above no other instrument which defines the rights of holders of long-term debt of Verizon and its consolidated subsidiaries is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A) Pursuant to this regulation, Verizon hereby agrees to furnish a copy of any such instrument to the SEC upon request
10a	GTE s Charitable Awards Program (filed as Exhibit 10-10 to GTE's Form 10-K for the year ended December 31, 1992 File No 1-2755 and incorporated herein by reference) **
10b	NYNEX Directors' Charitable Award Program (filed as Exhibit 10i to Form 10-K for the year ended December 31, 2000 and incorporated herein by reference) **
10c	2009 Verizon Long-Term Incentive Plan, As Amended and Restated (incorporated by reference to Appendix D of the Registrant's Proxy Statement included in Schedule 14A filed on March 18, 2013) **
10c(i)	Performance Stock Unit Agreement 2011-2013 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31 2011 and incorporated herein by reference) **
10c(ii)	Restricted Stock Unit Agreement 2011-2013 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference) **
10c(iii)	Form of 2011 Special Performance Stock Unit Agreement (filed as Exhibit 10 to Form 10-Q for the period ended September 30 2011 and incorporated by reference) **
10c(iv)	Performance Stock Unit Agreement 2012-2014 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference) **

10c(v)	Restricted Stock Unit Agreement 2012-2014 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference) **
10c(vi)	Performance Stock Unit Agreement 2013-2015 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31 2013 and incorporated herein by reference) **
10c(vii)	Restricted Stock Unit Agreement 2013-2015 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2013 and incorporated herein by reference) **
10d	Verizon Short-Term Incentive Plan, As Amended and Restated (incorporated by reference to Appendix C of the Registrant's Proxy Statement included in Schedule 14A filed on March 23, 2009) **
10e	Verizon Income Deferral Plan (filed as Exhibit 10f to Form 10-Q for the period ended June 30, 2002 and incorporated herein by reference) **
10e(i)	Description of Amendment to Plan (filed as Exhibit 10e(i) to Form 10-K for the year ended December 31 2004 and incorporated herein by reference) **
10f	Verizon Excess Pension Plan (filed as Exhibit 10p to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **
10f(i)	Description of Amendment to Plan (filed as Exhibit 10p(i) to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **
10g	GTE's Executive Salary Deferral Plan as amended (filed as Exhibit 10.10 to GTE's Form 10-K for the year ended December 31, 1998, File No 1-2755 and incorporated herein by reference) **
10h	Bell Atlantic Senior Management Long-Term Disability and Survivor Protection Plan, as amended (filed as Exhibit 10h to Form SE filed on March 27, 1986 and Exhibit 10h(ii) to Form 10-K for the year ended December 31, 1997 and incorporated herein by reference) **
10i	GTE Executive Retiree Life Insurance Plan (filed as Exhibit 10q to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **
10j	Verizon Executive Life Insurance Plan, As Amended and Restated September 2009 (filed as Exhibit 10s to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **
10k	Verizon Executive Deferral Plan (filed as Exhibit 10e to Form 10-Q for the period ended June 30 2009 and incorporated herein by reference) **
10l	Form of Aircraft Time Sharing Agreement (filed as Exhibit 10v to Form 10-K for the year ended December 31 2010 and incorporated herein by reference) **
10m	NYNEX Deferred Compensation Plan for Non-Employee Directors (filed as Exhibit 10gg to NYNEX's Registration Statement No 2-87850, File No 1-8608 and incorporated herein by reference) **
10n	Amendment to NYNEX Deferred Compensation Plan for Non-Employee Directors (filed as Exhibit 10m 5a to NYNEX's Quarterly Report on Form 10-Q for the period ended June 30, 1996, File No 1-8608 and incorporated herein by reference).**
10o	Verizon Senior Manager Severance Plan (filed as Exhibit 10d to Form 10-Q for the period ended March 31, 2010 and incorporated herein by reference) **

10p	U S Wireless Agreement, dated September 21, 1999, among Bell Atlantic and Vodafone Airtouch plc, including the forms of Amended and Restated Partnership Agreement and the Investment Agreement (filed as Exhibit 10 to Form 10-Q for the period ended September 30, 1999 and incorporated herein by reference)
10q	Term Loan Credit Agreement, dated as of October 1 2013, among Verizon JPMorgan Chase Bank N A as administrative agent, and the lenders party thereto (filed as Exhibit 10 1 to Form 8-K filed on October 3, 2013 and incorporated herein by reference)
12	Computation of Ratio of Earnings to Fixed Charges filed herewith
13	Portions of Verizon's Annual Report to Shareowners for the fiscal year ended December 31, 2013 filed herewith Only the information incorporated by reference into this Form 10-K is included in the exhibit
21	List of principal subsidiaries of Verizon filed herewith
23	Consent of Ernst & Young LLP filed herewith
31 1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith
31 2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith
32 1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith
32 2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith
99	Selected Corporate Governance and Executive Compensation Information included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014
101 INS	XBRL Instance Document
101 SCH	XBRL Taxonomy Extension Schema Document
101 PRE	XBRL Taxonomy Presentation Linkbase Document
101 CAL	XBRL Taxonomy Calculation Linkbase Document
101 LAB	XBRL Taxonomy Label Linkbase Document
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document

** Indicates management contract or compensatory plan or arrangement

Schedule II - Valuation and Qualifying Accounts

Verizon Communications Inc. and Subsidiaries

For the Years Ended December 31, 2013, 2012 and 2011

(dollars in millions)

Description	Balance at Beginning of Period	Additions: Charged to Expenses	Additions: Charged to Other Accounts Note (a)(b)	Deductions Note (c)(d)	Balance at End of Period
Allowance for Uncollectible Accounts Receivable					
Year 2013	$ 641	$ 993	$ 162	$ 1,151	$ 645
Year 2012	802	952	113	1,226	641
Year 2011	876	1,026	139	1,239	802
Valuation Allowance for Deferred Tax Assets					
Year 2013	$ 2,041	$ 235	$ 30	$ 710	$ 1,596
Year 2012	2,376	120	32	493	2,041
Year 2011	3,431	108	25	1,178	2,376

(a) Allowance for Uncollectible Accounts Receivable primarily includes amounts previously written off which were credited directly to this account when recovered

(b) Valuation Allowance for Deferred Tax Assets includes current year net activity to valuation allowance charged to equity and reclassifications from other balance sheet accounts

(c) Amounts written off as uncollectible or transferred to other accounts or utilized

(d) Reductions to valuation allowances related to deferred tax assets

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

VERIZON COMMUNICATIONS INC

By /s/ Anthony T Skiadas — Date February 27, 2014
Anthony T Skiadas
Senior Vice President and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated

Principal Executive Officer

/s/ Lowell C McAdam — Chairman and Chief Executive Officer — February 27 2014
Lowell C McAdam

Principal Financial Officer

/s/ Francis J Shammo — Executive Vice President and Chief Financial Officer — February 27 2014
Francis J Shammo

Principal Accounting Officer

/s/ Anthony T Skiadas — Senior Vice President and Controller — February 27 2014
Anthony T Skiadas

/s/ Shellye L. Archambeau Shellye L. Archambeau	Director	February 27, 2014
/s/ Richard L. Carrion Richard L. Carrion	Director	February 27, 2014
/s/ Melanie L. Healey Melanie L. Healey	Director	February 27, 2014
/s/ M. Frances Keeth M. Frances Keeth	Director	February 27, 2014
/s/ Robert W. Lane Robert W. Lane	Director	February 27, 2014
/s/ Sandra O. Moose Sandra O. Moose	Director	February 27, 2014
/s/ Joseph Neubauer Joseph Neubauer	Director	February 27, 2014
/s/ Donald T. Nicolaisen Donald T. Nicolaisen	Director	February 27, 2014
/s/ Clarence Otis, Jr. Clarence Otis, Jr.	Director	February 27, 2014
/s/ Hugh B. Price Hugh B. Price	Director	February 27, 2014
/s/ Rodney E. Slater Rodney E. Slater	Director	February 27, 2014
/s/ Kathryn A. Tesija Kathryn A. Tesija	Director	February 27, 2014
/s/ Gregory D. Wasson Gregory D. Wasson	Director	February 27, 2014

EXHIBIT 3a(ii)

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
VERIZON COMMUNICATIONS INC

Verizon Communications Inc. (the "Corporation"), a corporation organized on October 7, 1983, and existing under and by virtue of the General Corporation Law of the State of Delaware, HEREBY DOES CERTIFY

FIRST: That at a meeting of the Board of Directors of the Corporation held on September 2, 2013, resolutions were duly adopted approving a proposed amendment to the Restated Certificate of Incorporation (the "Certificate Amendment") of the Corporation and recommending that the proposed Certificate Amendment be approved by the stockholders of the Corporation. The Certificate Amendment is attached hereto as Exhibit A.

SECOND: That thereafter, pursuant resolution of the Corporation's Board of Directors, a special meeting of the stockholders was held on January 28, 2014 upon notice and in accordance with the provisions of Section 222 of the General Corporation Law of the State of Delaware, at which meeting a majority of the outstanding stock entitled to vote thereon was voted in favor of the Certificate Amendment as proposed by the Corporation's Board of Directors.

THIRD: That the Certificate Amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed by William L. Horton, Jr., its Senior Vice President, Deputy General Counsel and Corporate Secretary, this 3rd day of February, 2014.

VERIZON COMMUNICATIONS INC

By /s/ William L. Horton, Jr.
William L. Horton, Jr.
Senior Vice President, Deputy
General Counsel and Corporate Secretary

EXHIBIT A

CHARTER AMENDMENT

Article 4.A. of the Restated Certificate of Incorporation is hereby amended and restated in its entirety to read in full as follows:

4 Capital Stock

A. Authorized Shares. The total number of shares of all classes of stock which the Corporation shall have the authority to issue is 6,500,000,000 shares, of which 6,250,000,000 shares are Common Stock, $.10 par value per share, and 250,000,000 shares are Series Preferred Stock, $.10 par value per share.

EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
Verizon Communications Inc. and Subsidiaries

Years Ended December 31,	2013	2012	2011	2010	2009
					(dollars in millions)
Earnings:					
Income before (provision) benefit for income taxes	$ 29,277	$ 9,897	$ 10,483	$ 12,684	$ 13,520
Equity in earnings of unconsolidated businesses	(142)	(324)	(444)	(508)	(553)
Dividends from unconsolidated businesses	40	401	480	510	942
Interest expense [1]	2,667	2,571	2,827	2,523	3,102
Portion of rent expense representing interest	851	837	817	837	839
Amortization of capitalized interest	177	162	148	139	134
Earnings, as adjusted	$ 32,870	$ 13,544	$ 14,311	$ 16,185	$ 17,984
Fixed Charges:					
Interest expense [1]	$ 2,667	$ 2,571	$ 2,827	$ 2,523	$ 3,102
Portion of rent expense representing interest	851	837	817	837	839
Capitalized interest	754	406	442	964	927
Fixed Charges	$ 4,272	$ 3,814	$ 4,086	$ 4,324	$ 4,868
Ratio of earnings to fixed charges	7.69	3.55	3.50	3.74	3.69

[1] We classify interest expense recognized on uncertain tax positions as income tax expense and therefore such interest expense is not included in the Ratio of Earnings to Fixed Charges.

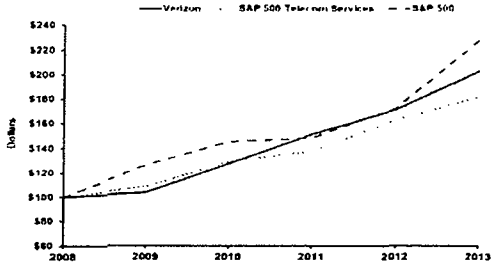
Exhibit 13

(dollars in millions, except per share amounts)

	2013	2012	2011	2010	2009
Results of Operations					
Operating revenues	$ 120,550	$ 115 846	$ 110,875	$ 106,565	$ 107,808
Operating income	31,968	13 160	12,880	14,645	15,978
Net income attributable to Verizon	11,497	875	2 404	2,549	4,894
Per common share – basic	4 01	31	85	90	1 72
Per common share – diluted	4.00	31	85	90	1 72
Cash dividends declared per common share	2 090	2 030	1 975	1 925	1 870
Net income attributable to noncontrolling interests	12,050	9,682	7 794	7,668	6,707
Financial Position					
Total assets	$ 274,098	$ 225,222	$ 220,481	$ 220,005	$ 226,907
Debt maturing within one year	3,933	4,369	4 849	7,542	7,205
Long-term debt	89,658	47 618	50 203	45,252	55,051
Employee benefit obligations	27,682	34,346	32,957	28 164	32,622
Noncontrolling interests	56,580	52,376	49,938	48 343	42,761
Equity attributable to Verizon	38,836	33,157	35,970	38,569	41,382

- Significant events affecting our historical earnings trends in 2011 through 2013 are described in "Other Items" in the Management's Discussion and Analysis of Financial Condition and Results of Operations" section
- 2010 and 2009 data includes severance, pension and benefit charges, merger integration and acquisition costs, dispositions and other items 2010 data also includes Medicare Part D Subsidy charges

Comparison of Five-Year Total Return Among Verizon, S&P 500 Telecommunications Services Index and S&P 500 Stock Index



	At December 31,					
Data Points in Dollars	2008	2009	2010	2011	2012	2013
Verizon	100 0	103 8	127 9	151 3	171.2	202.8
S&P 500 Telecom Services	100 0	108 9	129 6	137 8	163 0	181.4
S&P 500	100 0	126 5	145 5	148 6	172 3	228.0

The graph compares the cumulative total returns of Verizon, the S&P 500 Telecommunications Services Index, and the S&P 500 Stock Index over a five-year period It assumes $100 was invested on December 31, 2008 with dividends (including the value of each respective spin-off) being reinvested

Verizon Communications Inc (Verizon or the Company) is a holding company that, acting through its subsidiaries is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world Our offerings, designed to meet customers' demand for speed, mobility, security and control, include voice, data and video services on our wireless and wireline networks We have two reportable segments Wireless and Wireline Our wireless business, operating as Verizon Wireless, provides voice and data services and equipment sales across the United States using one of the most extensive and reliable wireless networks Our wireline business provides consumer, business and government customers with communications products and services, including broadband data and video services, network access, voice, long distance and other communications products and services and also owns and operates one of the most expansive end-to-end global Internet Protocol (IP) networks We have a highly skilled, diverse and dedicated workforce of approximately 176 800 employees as of December 31, 2013

In recent years, Verizon has embarked upon a strategic transformation as advances in technology have changed the way that our customers interact in their personal and professional lives and that businesses operate To meet the changing needs of our customers and address the changing technological landscape, we are focusing our efforts around higher margin and growing areas of our business wireless data, wireline data and Strategic services, including cloud computing services

Our strategy requires significant capital investments primarily to acquire wireless spectrum, put the spectrum into service, invest in the fiber optic network that supports our wireless and wireline businesses, maintain our wireless and wireline networks and develop and maintain significant advanced database capacity

In our Wireless business, in 2013 compared to 2012, revenue growth of 6 8% was driven by connection growth and the demand for smartphones, tablets and other Internet devices During 2013, we experienced a 4 6% increase in retail postpaid connections compared to 2012, with smartphones representing 70% of our retail postpaid phone base at December 31, 2013 compared to 58% at December 31, 2012 Also during 2013, postpaid smartphone activations represented 86% of phones activated compared to 77% in 2012

We have substantially completed the deployment of our fourth-generation (4G) Long-Term Evolution (LTE) network Our 4G LTE network is available to 97% of the U S population in more than 500 markets covering approximately 305 million people, including those in areas served by our LTE in Rural America partners Our 4G LTE network provides higher data throughput performance for data services at lower cost compared to those provided via third generation (3G) networks In December 2013, 69% of our total data traffic was carried on our 4G LTE network

On February 13, 2014, we introduced our More Everything plans which replaced our Share Everything plans and provide more value to our customers These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among up to 10 devices connected to the Verizon Wireless network Customers with Verizon Edge, which provides a device payment plan option, also will receive discounted monthly access fees on More Everything plans As of December 31, 2013, Share Everything accounts represented approximately 46% of our retail postpaid accounts, compared to approximately 23% as of December 31, 2012 Verizon Wireless offers shared data plans for business with the More Everything plans for Small Business and the Nationwide Business Data Packages and Plans In August 2013, we launched the new Verizon Edge device payment plan option which now allows customers to trade in their phone for a new phone after a minimum of thirty days, subject to certain conditions

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc a subsidiary of Seller (VF1 Inc) which indirectly through certain subsidiaries (together with VF1 Inc the Purchased Entities) owned the Vodafone Interest The consideration paid was primarily comprised of cash of approximately $58 89 billion and Verizon common stock with a value of approximately $60 19 billion See "Acquisitions and Divestitures" for additional information

In Wireline during 2013 compared to 2012, revenues were positively impacted by higher revenues in Consumer retail driven by FiOS services FiOS represented approximately 73% of Consumer retail revenue during 2013 compared to approximately 68% during 2012 As the penetration of FiOS products increases, we continue to seek ways to increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are developed for this high-speed service, we expect that FiOS will become a hub for managing multiple home services that will eventually be part of the digital grid, including not just entertainment and communications, but also machine-to-machine communications, such as home monitoring, health monitoring, energy management and utilities management

Also positively impacting Wireline's revenues during 2013 was a 4 6% increase in Strategic services revenues, which represented 57% of total Global Enterprise revenues during 2013 However, total Global Enterprise and Global Wholesale revenues declined due to declines in Core customer premise equipment revenues and traditional voice revenues The decline in Core customer premise equipment revenues is a result of our focus on improving our margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle To compensate for the shrinking market for traditional voice service, we continue to build our Wireline segment around data, video and advanced business services—areas where demand for reliable, high-speed connections is growing

We are investing in innovative technology like wireless networks, high-speed fiber and cloud services to position ourselves at the center of the growth trends of the future. In addition to the Wireless Transaction, since the beginning of 2012 these investments have included acquisitions of wireless licenses of $4.9 billion. We also have invested $1.4 billion in acquisitions of investments and businesses, which we expect will permit us to offer enhanced machine-to-machine, video and cloud-based products and services.

By investing in our own capabilities, we are also investing in the markets we serve by providing our communities with an efficient, reliable infrastructure for competing in the information economy. We are committed to putting our customers first and being a responsible member of our communities. Guided by this commitment and by our core values of integrity, respect, performance excellence and accountability, we believe we are well-positioned to produce a long-term return for our shareowners, create meaningful work for ourselves and provide something of lasting value for society.

In the sections that follow, we provide information about the important aspects of our operations and investments, both at the consolidated and segment levels, and discuss our results of operations, financial position and sources and uses of cash. In addition, we highlight key trends and uncertainties to the extent practicable.

Trends

We expect that competition will continue to intensify with traditional, non-traditional and emerging service providers seeking increased market share. We believe that our networks differentiate us from our competitors, enabling us to provide enhanced communications experiences to our customers. We believe our focus on the fundamentals of running a good business, including *operating excellence and financial discipline, gives us the ability to plan and manage through changing economic conditions.* We will continue to invest for growth, which we believe is the key to creating value for our shareowners.

Connection and Operating Trends

In our Wireless segment, we expect to continue to attract and maintain the loyalty of high-quality retail postpaid customers, capitalizing on demand for data services and bringing our customers new ways of using wireless services in their daily lives. We expect that future connection growth will continue as we introduce new smartphones, Internet devices such as tablets and our suite of 4G LTE devices. We believe these devices will attract and retain higher value retail postpaid connections, contribute to continued increases in the penetration of data services and keep our device line-up competitive versus other wireless carriers. We expect future growth opportunities will be dependent on expanding the penetration of our network services, offering innovative wireless devices for both consumer and business customers and increasing the number of ways that our customers can connect with *our network and services.*

Service and equipment pricing play an important role in the wireless competitive landscape. As the demand for wireless services continues to grow, wireless service providers are offering service plans that include unlimited voice minutes and text messages and a specific amount of data access in varying megabyte or gigabyte sizes or, in some cases, unlimited data usage. Wireless service providers are also offering price plans that decouple service pricing from equipment pricing and blur the traditional *boundary between prepaid and postpaid plans. In addition, some wireless providers are offering a credit to new customers* to reimburse early termination fees paid to their former wireless service provider, subject to certain limitations. We seek to compete in this area by offering our customers services and equipment that they will regard as the best available value for the price, as well as service plans that meet their wireless service needs.

In our Wireline segment, we have experienced continuing access line losses as customers have disconnected both primary and *secondary lines and switched to alternative technologies such as wireless, voice over Internet protocol (VoIP) and cable for voice* and data services. We expect to continue to experience access line losses as customers continue to switch to alternate technologies.

Despite this challenging environment, we expect that we will continue to grow key aspects of our Wireline segment by providing network reliability, offering innovative product bundles that include broadband Internet access, digital television and local and long distance voice services, offering more robust IP products and service, and accelerating our cloud computing and machine-to-machine strategies. We will also continue to focus on cost efficiencies to attempt to offset adverse impacts from unfavorable economic conditions and competitive pressures.

Operating Revenue

We expect to experience service revenue growth in our Wireless segment in 2014 primarily as a result of continued growth in postpaid connections driven by increased sales of smartphones, tablets and other Internet devices. We expect that retail postpaid average revenue per account (ARPA) will continue to increase as connections migrate from basic phones to smartphones and from our 3G network to our 4G LTE network, and as the average number of connections per account increases, which we expect to be driven by our More Everything plans that allow for the sharing of data among up to 10 devices. We expect that our future service revenue growth will be substantially derived from an increase in the usage of innovative wireless smartphones, tablets and other Internet devices in addition to our pricing structure that will encourage customers to continue adding data-enabled devices onto existing accounts. We expect that continued emphasis on increasing smartphone penetration, including continuing to migrate customers from basic phones to smartphones and from 3G devices to 4G LTE devices, will positively impact our revenue.

We expect FiOS broadband and video penetration to positively impact our Mass Markets revenue and subscriber base. We also expect Strategic services revenues to continue to grow as we derive additional enterprise revenues from cloud, security and other solutions-based services and customers continue to migrate their services to Private IP and other strategic networking services, although we have experienced decelerating revenue growth within our Strategic services business. We believe the trend in these growth areas as well as our offerings in telematics and video streaming will help offset the continuing decline in revenues in our Wireline segment related to retail voice connection losses as a result of wireless substitution as well as the continued decline in our legacy wholesale and enterprise markets.

Operating Costs and Expenses

We anticipate our overall wireless operating costs will increase as a result of the expected increase in the volume of smartphone sales, which will result in higher equipment and sales commission costs. In addition, we expect content costs for our FiOS video services to continue to increase. However, we expect to achieve certain cost efficiencies in 2014 and beyond as data traffic continues to migrate to our lower cost 4G LTE network and as we continue to streamline our business processes with a focus on improving productivity and increasing profitability.

Capital Expenditures

Our 2014 capital program includes capital to fund advanced networks and services, including 4G LTE and FiOS, the continued expansion of our core networks, including our IP and data center enhancements, maintenance and support for our legacy voice networks and other expenditures to drive operating efficiencies. *The level and the timing of the Company's capital expenditures* within these broad categories can vary significantly as a result of a variety of factors outside our control, including, for example, material weather events. We are replacing copper wire with fiber optic cable which will not alter our capital program but should result in lower maintenance costs in the future. Capital expenditures were $16.6 billion in 2013 and $16.2 billion in 2012, respectively. We believe that we have significant discretion over the amount and timing of our capital expenditures on a Company-wide basis as we are not subject to any agreement that would require significant capital expenditures on a designated schedule or upon the occurrence of designated events. We expect capital expenditures in 2014 to be in the range of approximately $16.5 billion to $17.0 billion and we also expect our capital expenditures as a percentage of revenue to decline in 2014 from 2013 levels.

Cash Flows from Operations

We create value for our shareowners by investing the *cash flows generated by our business in opportunities and transactions* that support continued profitable growth, thereby increasing customer satisfaction and usage of our products and services. In addition, we have used our cash flows to maintain and grow our dividend payout to shareowners. Verizon's Board of Directors increased the Company's quarterly dividend by 2.6% during 2013, making this the seventh consecutive year in which we have raised our dividend. After the closing of the Wireless Transaction, our Provision for income taxes is expected to increase due to our 100% ownership of Verizon Wireless. We also expect our cash taxes paid to increase due to our 100% ownership of Verizon Wireless and to a much lesser degree due to bonus depreciation not being extended beyond December 31, 2013. Additionally, our interest expense is expected to increase as a result of the debt issued to finance the Wireless Transaction. As a result of these factors, we expect Cash Flows from Operations to be negatively impacted in 2014. Partially offsetting these negative impacts to Cash Flows from Operations will be the discontinuation of cash distributions from Verizon Wireless to Vodafone, which have historically reduced our Cash Flows from Financing Activities.

Our goal is to use our cash to create long-term value for our shareholders. We will continue to look for investment opportunities that will help us to grow the business. We expect to use our cash to reduce our debt levels, pay dividends to our shareholders and, when appropriate, buy back shares of our outstanding common stock (see Cash Flows from Financing Activities) and invest in spectrum licenses (see Cash Flows from Investing Activities). During 2013, we purchased 3.50 million shares under our share buyback authorization. There were no repurchases of common stock during 2012 or 2011.

In this section, we discuss our overall results of operations and highlight items of a non-operational nature that are not included in our segment results. We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. In "Segment Results of Operations," we review the performance of our two reportable segments.

Corporate, eliminations and other includes unallocated corporate expenses such as certain pension and other employee benefit related costs, intersegment eliminations recorded in consolidation, the results of other businesses such as our investments in unconsolidated businesses, lease financing and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance. We believe that this presentation assists users of our financial statements in better understanding our results of operations and trends from period to *period.*

Consolidated Revenues

(dollars in millions)

Years Ended December 31	2013	2012	2011	Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Wireless							
Service revenue	$ 69,033	$ 63,733	$ 59,157	$ 5,300	8.3%	$ 4,576	7.7%
Equipment and other	11,990	12,135	10,997	(145)	(1.2)	1,138	10.3
Total	81,023	75,868	70,154	5,155	6.8	5,714	8.1
Wireline							
Mass Markets	17,328	16,702	16,337	626	3.7	365	2.2
Global Enterprise	14,703	15,299	15,622	(596)	(3.9)	(323)	(2.1)
Global Wholesale	6,714	7,240	7,973	(526)	(7.3)	(733)	(9.2)
Other	478	539	750	(61)	(11.3)	(211)	(28.1)
Total	39,223	39,780	40,682	(557)	(1.4)	(902)	(2.2)
Corporate, eliminations and other	*304*	*198*	*39*	*106*	*53.5*	*159*	*nm*
Consolidated Revenues	$ 120,550	$ 115,846	$ 110,875	$ 4,704	4.1	$ 4,971	4.5

nm = not meaningful

2013 Compared to 2012

The increase in consolidated revenues during 2013 compared to 2012 was primarily due to higher revenues at Wireless, as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise at our Wireline segment. Partially offsetting these increases were lower Global Enterprise Core and Global Wholesale revenues at our Wireline segment.

Wireless revenues increased $5.2 billion, or 6.8%, during 2013 compared to 2012 due to growth in service revenue. Service revenue increased during 2013 compared to 2012 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of smartphones, tablets and other Internet devices through our Share Everything plans. Retail postpaid connection net additions decreased during 2013 compared to 2012 primarily due to an increase in our retail postpaid connection churn rate, partially offset by an increase in retail postpaid connection gross additions. Retail postpaid connections per account increased as of December 31, 2013 compared to December 31, 2012 primarily due to the increased penetration of tablets and other Internet devices.

Wireline's revenues decreased $0.6 billion, or 1.4%, during 2013 compared to 2012 primarily driven by declines in Global Enterprise Core and Global Wholesale, partially offset by higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise.

Mass Markets revenues increased $0.6 billion, or 3.7%, during 2013 compared to 2012 due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased $0.6 billion, or 3.9%, during 2013 compared to 2012 primarily due to a decline in Core customer premise equipment revenues and lower voice services and data networking revenues. This decrease was partially offset by growth in Strategic services revenues, primarily due to an increase in advanced services, such as contact center solutions, IP communications, and our cloud and data center offerings as well as revenue from a telematics services business that we acquired in the third quarter of 2012.

Global Wholesale revenues decreased $0.5 billion, or 7.3%, during 2013 compared to 2012 primarily due to a decline in traditional voice revenues as a result of decreased minutes of use (MOUs) and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers.

Other revenues decreased during 2013 compared to 2012 primarily due to reduced volumes outside of our network footprint.

2012 Compared to 2011

The increase in consolidated revenues during 2012 compared to 2011 was primarily due to higher revenues at Wireless, as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise at our Wireline segment. Partially offsetting these increases were lower Global Wholesale and Global Enterprise Core revenues at our Wireline segment.

Wireless revenues increased during 2012 compared to 2011 due to growth in both service and equipment and other revenue. Service revenue increased during 2012 compared to 2011 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections of 5.1 million in 2012, as well as the continued increase in penetration of smartphones. Retail postpaid connections per account increased during 2012 compared to 2011 primarily due to the increased use of tablets and other Internet devices. In 2012, the increase in retail postpaid connection net additions was primarily due to an increase in retail postpaid and prepaid connection gross additions and improvements in our retail connections churn rate. Higher retail postpaid connection gross additions during 2012 primarily reflect the launch of our Share Everything plans coupled with new device introductions during the second half of 2012.

Equipment and other revenue increased during 2012 compared to 2011 primarily due to an increase in device upgrade fees, regulatory fees and equipment sales.

Wireline's revenues decreased during 2012 compared to 2011 primarily driven by declines in Global Wholesale, Global Enterprise Core and Other revenues, partially offset by higher revenues in Mass Markets driven by FiOS services and higher revenues from Strategic services.

Mass Markets revenues increased during 2012 compared to 2011 due to the expansion of FiOS services as well as changes in our pricing strategy adopted in 2012, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased during 2012 compared to 2011 primarily due to lower local services and traditional circuit-based revenues, a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation. This decrease was partially offset by higher Strategic services revenues, primarily due to growth in advanced services, such as managed network solutions, contact center solutions, IP communications and our cloud and data center offerings.

Global Wholesale revenues decreased during 2012 compared to 2011 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers.

Other revenues decreased during 2012 compared to 2011 primarily due to reduced volumes outside of our network footprint.

Consolidated Operating Expenses

Year Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs. 2012		2012 vs. 2011	
Cost of services and sales	$ 44,887	$ 46,275	$ 45,875	$ (1,388)	(3.0)%	$ 400	0.9%
Selling, general and administrative expense	27,089	39,951	35,624	(12,862)	(32.2)	4,327	12.1
Depreciation and amortization expense	16,606	16,460	16,496	146	0.9	(36)	(0.2)
Consolidated Operating Expenses	$ 88,582	$102,686	$ 97,995	$ (14,104)	(13.7)	$ 4,691	4.8

Consolidated operating expenses decreased during 2013 primarily due to non-operational credits recorded in 2013 as well as non-operational charges recorded in 2012 (see "Other Items"). Consolidated operating expenses increased during 2012 primarily due to higher non-operational charges (see "Other Items") as well as increased operating expenses at Wireless.

2013 Compared to 2012

Cost of Services and Sales

Cost of services and sales includes the following costs directly attributable to a service or product: salaries and wages, benefits, materials and supplies, content costs, contracted services, network access and transport costs, wireless equipment costs, customer provisioning costs, computer systems support costs to support our outsourcing contracts and technical facilities and contributions to the Universal Service Fund. Aggregate customer care costs, which include billing and service provisioning, are allocated between Cost of services and sales and Selling, general and administrative expense.

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in cost of equipment sales, decreased data roaming, a decline in cost of data services and a decrease in network connection costs at our Wireless segment, as well as a decrease in costs related to customer premise equipment, a decline in access costs and the net effect of storm-related insurance recoveries at our Wireline segment. Partially offsetting these decreases were higher content costs associated with continued FiOS subscriber growth and vendor rate increases at our Wireline segment, as well as increases in cost of network services at our Wireless segment.

Selling, General and Administrative Expense

Selling, general and administrative expense includes: salaries and wages and benefits not directly attributable to a service or product, bad debt charges, taxes other than income taxes, advertising and sales commission costs, customer billing, call center and information technology costs, regulatory fees, professional service fees, and rent and utilities for administrative space. Also included are a portion of the aggregate customer care costs as discussed in "Cost of Services and Sales" above.

Selling, general and administrative expense decreased during 2013 compared to 2012 primarily due to the non-operational credits recorded in 2013 and declines in employee costs at our Wireline segment as well as the non-operational charges recorded in 2012 (see "Other Items"). The decrease was partially offset by higher sales commission expense at our Wireless segment.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during 2013 compared to 2012 primarily due to an increase in net depreciable assets at our Wireless segment and an increase in amortization expense at our Wireline segment. These increases were partially offset by a decline in net depreciable assets at our Wireline segment.

2012 Compared to 2011

Cost of Services and Sales

Cost of services and sales increased during 2012 compared to 2011 primarily due to higher cost of equipment sales, increased cost of network services and increased data roaming, partially offset by a decrease in cost for data services, a decrease in network connection costs and a decrease in the cost of long distance at our Wireless segment. Also contributing to the increase were higher content costs associated with continued FiOS subscriber growth and vendor rate increases, increased expenses related to our cloud and data center offering, higher costs related to FiOS installation as well as higher repair and maintenance expenses caused by storm-related events in 2012, partially offset by declines in access costs and customer premise equipment costs at our Wireline segment.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during 2012 compared to 2011 primarily due to higher non-operational charges (see "Other Items") as well as higher sales commission expense and costs associated with regulatory fees at our Wireless segment.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased during 2012 compared to 2011 primarily due to a decrease in depreciable assets at our Wireline segment, partially offset by an increase in amortization expense related to non-network software.

Non-operational (Credits) Charges

Non-operational (credits) charges included in operating expenses (see "Other Items") were as follows:

Years Ended December 31,	2013	2012	(dollars in millions) 2011
Gain on Spectrum License Transaction			
Selling, general and administrative expense	$ (278)	$ –	$ –
Severance, Pension and Benefit (Credits) Charges			
Selling, general and administrative expense	(6,232)	7,186	5,954
Litigation Settlements			
Selling, general and administrative expense	–	384	–
Other Costs			
Cost of services and sales	–	40	–
Selling, general and administrative expense	–	236	–
	–	276	–
Total non-operating (credits) charges included in operating expenses	$ (6,510)	$ 7,846	$ 5,954

See "Other Items" for a description of other non-operational items.

Consolidated Operating Income and EBITDA

Consolidated earnings before interest, taxes, depreciation and amortization expenses (Consolidated EBITDA) and Consolidated Adjusted EBITDA, which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in earnings of unconsolidated businesses and other income and (expense), net to net income.

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items from the calculation of Consolidated EBITDA. Management believes that this measure provides additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. See "Other Items" for additional details regarding these non-operational items.

Operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions. The adjustment has been recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

Years Ended December 31	2013	2012	2011
			(dollars in millions)
Consolidated Operating Income	$ 31,968	$ 13,160	$ 12,880
Add Depreciation and amortization expense	16,606	16,460	16,496
Consolidated EBITDA	48,574	29,620	29,376
Add (Less) Non-operating (credits) charges included in operating expenses	(6,510)	7,846	5,954
Consolidated Adjusted EBITDA	$ 42,064	$ 37,466	$ 35,330

The changes in Consolidated Operating Income, Consolidated EBITDA and Consolidated Adjusted EBITDA in the table above were primarily a result of the factors described in connection with operating revenues and operating expenses.

Other Consolidated Results

Equity in Earnings of Unconsolidated Businesses

Equity in earnings of unconsolidated businesses decreased $182 million, or 56.2% in 2013 compared to 2012 primarily due to lower earnings from operations at Vodafone Omnitel N.V. (Vodafone Omnitel). The decrease during 2013 was partially offset by an immaterial gain recorded by Verizon Wireless upon obtaining control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated.

Equity in earnings of unconsolidated businesses decreased $120 million, or 27.0% in 2012 compared to 2011 primarily due to lower earnings from operations at Vodafone Omnitel and, to a lesser extent, the devaluation of the Euro against the U.S. dollar.

As part of the consideration of the Wireless Transaction, a subsidiary of Verizon sold its entire ownership interest in Vodafone Omnitel to a subsidiary of Vodafone on February 21, 2014.

Other Income and (Expense), Net

Additional information relating to Other income and (expense), net is as follows:

Years Ended December 31	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
						(dollars in millions) Increase/(Decrease)	
Interest income	$ 64	$ 57	$ 68	$ 7	12.3%	$ (11)	(16.2)%
Other, net	(230)	(1,073)	(82)	843	(78.6)	(991)	nm
Total	$ (166)	$ (1,016)	$ (14)	$ 850	(83.7)	$ (1,002)	nm

nm – not meaningful

Other income and (expense), net decreased during 2013 compared to 2012 primarily due to fees of $1.1 billion incurred in 2012 related to the early redemption of debt, partially offset by $0.2 billion of fees incurred during the fourth quarter of 2013 as a result of the termination of a bridge credit agreement upon the effectiveness of a term loan agreement (see "Other Items").

Other income and (expense), net increased during 2012 compared to 2011 primarily driven by higher fees of $1.1 billion related to the early redemption of debt (see "Other Items").

Interest Expense

Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
						(dollars in millions) Increase/(Decrease)	
Total interest costs on debt balances	$ 3,421	$ 2,977	$ 3,269	$ 444	14.9%	$ (292)	(8.9)%
Less: Capitalized interest costs	754	406	442	348	85.7	(36)	(8.1)
Total	$ 2,667	$ 2,571	$ 2,827	$ 96	3.7	$ (256)	(9.1)
Average debt outstanding	$65,959	$52,949	$55,629				
Effective interest rate	5.2%	5.6%	5.9%				

Total interest costs on debt balances increased during 2013 compared to 2012 primarily due to the issuance of $49.0 billion of fixed and floating rate notes to finance the Wireless Transaction (see "Acquisitions and Divestitures") resulting in an increase in average debt as well as an incremental increase in interest expense of $0.7 billion, partially offset by a lower effective interest rate (see "Consolidated Financial Condition"). Capitalized interest costs were higher in 2013 primarily due to increases in wireless licenses that are currently under development.

Total interest costs on debt balances decreased during 2012 compared to 2011 primarily due to a $2.7 billion decrease in average debt (see "Consolidated Financial Condition") and a lower effective interest rate. Capitalized interest costs were lower in 2012 primarily due to our ongoing deployment of the 4G LTE network.

Provision (Benefit) for Income Taxes

Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
						(dollars in millions) Increase/(Decrease)	
Provision (Benefit) for income taxes	$ 5,730	$ (660)	$ 285	$ 6,390	nm	$ (945)	nm
Effective income tax rate	19.6 %	(6.7)%	2.7 %				

nm – not meaningful

The effective income tax rate is calculated by dividing the provision for income taxes by income before the provision for income taxes. Our effective income tax rate is significantly lower than the statutory federal income tax rate for all years presented due to the inclusion of income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership within our income before the provision for income taxes. In 2013 and 2012, we recorded a tax provision on income before the provision for income taxes and when we included the income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership in our income before the provision for income taxes it resulted in our effective income tax rate being 13.7 percentage points lower during 2013 and 7.9 percentage points lower during 2011. In 2012, we recorded a tax benefit on income before the provision for income taxes, which resulted in a negative effective income tax rate. In this circumstance, including the income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership in our income before the provision for income taxes resulted in our negative effective tax rate being 300.3 percentage points higher during 2012.

Verizon completed the acquisition of Vodafone's 45% indirect ownership interest in Verizon Wireless on February 21, 2014. Our provision for income taxes and effective income tax rate subsequent to the closing will reflect the change in Verizon's ownership interest in Verizon Wireless. Our provision for income taxes and effective income tax rate will increase subsequent to the closing due to the inclusion of the provision for income taxes previously attributable to Vodafone's ownership interest.

The effective income tax rate for 2013 was 19.6% compared to (6.7)% for 2012. The increase in the effective income tax rate and provision for income taxes was primarily due to higher income before income taxes as a result of severance, pension and benefit credits recorded during 2013 compared to lower income before income taxes as a result of severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

The effective income tax rate for 2012 was (6.7)% compared to 2.7% for 2011. The negative effective income tax rate for 2012 and the decrease in the provision for income taxes during 2012 compared to 2011 was primarily due to lower income before income taxes as a result of higher severance, pension, and benefit charges as well as early debt redemption costs recorded during 2012.

A reconciliation of the statutory federal income tax rate to the effective income tax rate for each period is included in Note 12 to the consolidated financial statements.

Net Income Attributable to Noncontrolling Interests

Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
						(dollars in millions) Increase/(Decrease)	
Net income attributable to noncontrolling interests	$ 12,050	$ 9,682	$ 7,794	$ 2,368	24.5 %	$ 1,888	24.2 %

The increases in Net income attributable to noncontrolling interests during 2013 compared to 2012 and 2012 compared to 2011 were due to higher earnings in our Verizon Wireless segment which had a 45% noncontrolling partnership interest attributable to Vodafone as of December 31, 2012.

We expect Net income attributable to noncontrolling interests to decline substantially in 2014 as a result of the Wireless Transaction (see "Acquisitions and Divestitures"). The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnerships.

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income. The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance.

Segment earnings before interest, taxes, depreciation and amortization (Segment EBITDA), which is presented below, is a non-GAAP measure and does not purport to be an alternative to operating income as a measure of operating performance. Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income.

Wireless Segment EBITDA service margin, also presented below, is calculated by dividing Wireless Segment EBITDA by Wireless service revenues. Wireless Segment EBITDA service margin utilizes service revenues rather than total revenues. Service revenues primarily exclude equipment revenues in order to reflect the impact of providing service to the wireless customer base on an ongoing basis. Wireline EBITDA margin is calculated by dividing Wireline EBITDA by total Wireline revenues. You can find additional information about our segments in Note 13 to the consolidated financial statements.

Wireless

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. Verizon Wireless provides wireless communications services across one of the most extensive wireless networks in the United States. As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, the Wireless Transaction was completed, and Verizon acquired 100% ownership of Verizon Wireless.

We provide these services and equipment sales to consumer, business and government customers in the United States on a postpaid and prepaid basis. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance, and usage beyond the allowance is billed monthly in arrears. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

All financial results included in the tables below reflect the consolidated results of Verizon Wireless.

Operating Revenues and Selected Operating Statistics

(Dollars in millions, except ARPA)

				Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Retail service	$ 66,334	$ 61,440	$ 56,660	$ 4,894	8.0%	$ 4,780	8.4%
Other service	2,699	2,293	2,497	406	17.7	(204)	(8.2)
Service revenue	69,033	63,733	59,157	5,300	8.3	4,576	7.7
Equipment and other	11,990	12,135	10,997	(145)	(1.2)	1,138	10.3
Total Operating Revenues	$ 81,023	$ 75,868	$ 70,154	$ 5,155	6.8	$ 5,714	8.1
Connections ('000) [1]							
Retail connections	102,799	98,230	92,167	4,569	4.7	6,063	6.6
Retail postpaid connections	96,752	92,530	87,382	4,222	4.6	5,148	5.9
Net additions in period ('000) [2]							
Retail connections	4,472	5,917	4,624	(1,445)	(24.4)	1,293	28.0
Retail postpaid connections	4,118	5,024	4,252	(906)	(18.0)	772	18.2
Churn Rate							
Retail connections	1.27%	1.19%	1.26%				
Retail postpaid connections	0.97%	0.91%	0.95%				
Account Statistics							
Retail postpaid ARPA	$ 153.93	$ 144.04	$ 134.51	$ 9.89	6.9	$ 9.53	7.1
Retail postpaid accounts ('000) [1]	35,083	35,057	34,561	26	0.1	496	1.4
Retail postpaid connections per account [1]	2.76	2.64	2.53	0.12	4.5	0.11	4.3

[1] As of end of period

[2] Excluding acquisitions and adjustments

2013 Compared to 2012

The increase in Wireless' total operating revenues of $5.2 billion, or 6.8%, during 2013 compared to 2012 was primarily the result of growth in service revenue.

Retail postpaid connection net additions decreased during 2013 compared to 2012 primarily due to an increase in our retail postpaid connection churn rate, partially offset by an increase in retail postpaid connection gross additions.

Retail Postpaid Connections per Account

Retail postpaid connections per account is calculated by dividing the total number of retail postpaid connections by the number of retail postpaid accounts as of the end of the period. Retail postpaid connections per account increased 4.5% as of December 31, 2013 compared to December 31, 2012 primarily due to the increased penetration of tablets and other Internet devices.

Service Revenue

Service revenue increased $5.3 billion, or 8.3%, during 2013 compared to 2012 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of smartphones, tablets and other Internet devices through our Share Everything plans. The penetration of smartphones was driven by the activation of smartphones by new customers as well as existing customers migrating from basic phones to smartphones.

The increase in retail postpaid ARPA (the average revenue per account from retail postpaid accounts) during 2013 compared to 2012 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. As of December 31, 2013, we experienced a 4.5% increase in retail postpaid connections per account compared to 2012, with smartphones representing 70% of our retail postpaid phone base as of December 31, 2013 compared to 58% as of December 31, 2012. The increased penetration in retail postpaid connections per account is primarily due to increases in Internet data devices, which represented 10.7% of our retail postpaid connection base as of December 31, 2013 compared to 9.3% as of December 31, 2012, primarily due to activations of tablets and other Internet devices. Additionally, during 2013, postpaid smartphone activations represented 86% of phones activated compared to 77% during 2012.

Other service revenue increased during 2013 compared to 2012 due to growth in wholesale connections, partially offset by a decrease in revenue related to third party roaming.

Equipment and Other Revenue

Equipment and other revenue decreased during 2013 compared to 2012 as a decline in regulatory fees was partially offset by an increase in revenue related to upgrade fees.

2012 Compared to 2011

The increase in Wireless' total operating revenues during 2012 compared to 2011 was the result of growth in both service and equipment and other revenue.

Accounts and Connections

Retail connection net additions increased during 2012 compared to 2011 primarily due to an increase in retail postpaid and prepaid connection gross additions and improvements in our retail connections churn rate. Higher retail postpaid connection gross additions during 2012 primarily reflected the launch of our Share Everything plans coupled with new device introductions, including the second half of 2012.

Retail Postpaid Connections per Account

Retail postpaid connections per account increased during 2012 compared to 2011 primarily due to the increased use of tablets and other Internet devices.

Service Revenue

Service revenue increased during 2012 compared to 2011 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections of 5.2 million in 2012, as well as the continued increase in penetration of smartphones. This increased penetration also contributed to the increase in our retail postpaid ARPA.

Accounts and Connections

Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Accounts include Share Everything plans and corporate accounts as well as legacy single connection plans and family plans. A single account may receive monthly wireless services for a variety of connected devices. Retail connections represent our retail customer device connections. Churn is the rate at which service to connections is terminated.

Retail connections under an account may include smartphones, basic phones, tablets and other Internet devices, as well as Home Phone Connect and Home Fusion. We expect to continue to experience retail connection growth based on the strength of our product offerings and network service quality.

The increase in retail postpaid ARPA during 2012 compared to 2011 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. During 2012, we experienced a 4.3% increase in retail postpaid connections per account compared to 2011, with smartphones representing 58% of our retail postpaid phone base as of December 31, 2012 compared to 43.5% as of December 31, 2011. The increase in retail postpaid connections per account was primarily due to increases in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to 8.1% as of December 31, 2011 primarily due to strong sales of tablets and Jetpacks™.

Other service revenue decreased during 2012 compared to 2011 primarily as a result of a decrease in third party roaming revenue.

Equipment and Other Revenue

Equipment and other revenue increased during 2012 compared to 2011 primarily due to increases in device upgrade fees, regulatory fees and equipment sales [illegible]

Operating Expenses

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Cost of services and sales	$ 23,648	$ 24,490	$ 24,086	$ (842)	(3.4)%	$ 404	1.7%
Selling, general and administrative expense	23,176	21,650	19,579	1,526	7.0	2,071	10.6
Depreciation and amortization expense	8,202	7,960	7,962	242	3.0	(2)	–
Total Operating Expenses	$ 55,026	$ 54,100	$ 51,627	$ 926	1.7	$ 2,473	4.8

Cost of Services and Sales

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in cost of equipment sales of $0.4 billion which was partially due to a decline in postpaid upgrades, decreased data roaming, a decline in cost of data services and a decrease in network connection costs due to the deployment of Ethernet backhaul facilities primarily targeted at sites upgrading to 4G LTE, partially offset by an increase in cost of network services.

Cost of services and sales increased during 2012 compared to 2011 primarily due to $0.7 billion in higher cost of equipment sales which was driven by increased sales of higher cost smartphones, increased cost of network services and increased data roaming, partially offset by a decrease in cost for data services, a decrease in network connection costs due to the ongoing deployment of Ethernet backhaul facilities primarily targeted at sites upgrading to 4G LTE and a decrease in the cost of long distance.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during 2013 compared to 2012 primarily due to higher sales commission expense in our indirect channel. Indirect sales commission expense increased $1.1 billion during 2013 compared to 2012 primarily as a result of increases in indirect gross additions and upgrades, as well as the average commission per unit, as the mix of units continues to shift toward smartphones and more customers activate data services.

Selling, general and administrative expense increased during 2012 compared to 2011 primarily due to higher sales commission expense in our indirect channel as well as costs associated with regulatory fees. Indirect sales commission expense increased $1.3 billion during 2012 compared to 2011 primarily as a result of increases in the average commission per unit, as the mix of units continued to shift toward smartphones and more customers activated data services.

Depreciation and Amortization Expense

The increase in depreciation and amortization expense during 2013 compared to 2012 was primarily driven by an increase in net depreciable assets. Depreciation and amortization expense was essentially unchanged during 2012 compared to 2011.

Segment Operating Income and EBITDA

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Segment Operating Income	$ 25,997	$ 21,768	$ 18,527	$ 4,229	19.4%	$ 3,241	17.5%
Add Depreciation and amortization expense	8,202	7,960	7,962	242	3.0	(2)	–
Segment EBITDA	$ 34,199	$ 29,728	$ 26,489	$ 4,471	15.0	$ 3,239	12.2
Segment operating income margin	32.1%	28.7%	26.4%				
Segment EBITDA service margin	49.5%	46.6%	44.8%				

The changes in the table above during the periods presented were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-recurring or non-operational items excluded from Wireless' Operating income were as follows:

	(dollars in millions)		
Years Ended December 31,	2013	2012	2011
Gain on spectrum license transaction	$ (278)	$ –	$ –
Severance, pension and benefit (credits) charges	(61)	37	76
	$ (339)	$ 37	$ 76

Wireline

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

Operating Revenues and Selected Operating Statistics

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs 2012		2012 vs 2011	
Consumer retail	$ 14,737	$ 14,043	$ 13,606	$ 694	4.9%	$ 437	3.2%
Small business	2,591	2,659	2,731	(68)	(2.6)	(72)	(2.6)
Mass Markets	17,328	16,702	16,337	626	3.7	365	2.2
Strategic services	8,420	8,052	7,575	368	4.6	477	6.3
Core	6,283	7,247	8,047	(964)	(13.3)	(800)	(9.9)
Global Enterprise	14,703	15,299	15,622	(596)	(3.9)	(323)	(2.1)
Global Wholesale	6,714	7,246	7,973	(526)	(7.3)	(733)	(9.2)
Other	478	539	750	(61)	(11.3)	(211)	(28.1)
Total Operating Revenues	$ 39,223	$ 39,780	$ 40,682	$ (557)	(1.4)	$ (902)	(2.2)
Connections (000) [1]							
Total voice connections	21,085	22,503	24,137	(1,418)	(6.3)	(1,634)	(6.8)
Total Broadband connections	9,015	8,795	8,670	220	2.5	125	1.4
FiOS Internet subscribers	6,072	5,424	4,817	648	11.9	607	12.6
FiOS Video subscribers	5,262	4,726	4,173	536	11.3	553	13.3

[1] As of end of period.

Wireline's revenues decreased $0.6 billion or 1.4% during 2013 compared to 2012 primarily driven by declines in Global Enterprise Core and Global Wholesale, partially offset by higher Consumer retail revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers.

2013 Compared to 2012

Mass Markets revenues increased $0.6 billion or 3.7% during 2013 compared to 2012 primarily due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

During 2013, we grew our subscriber base by 0.6 million FiOS Internet subscribers and by 0.5 million FiOS Video subscribers while also consistently improving penetration rates within our FiOS service areas. As of December 31, 2013, we achieved penetration rates of 39.5% and 35.0% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 37.3% and 33.3% for FiOS Internet and FiOS Video, respectively, at December 31, 2012.

The increase in Mass Markets revenues, driven by FiOS services, was partially offset by the decline of local exchange revenues primarily due to a 5.2% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, VoIP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections, primarily reflecting competition and a shift to both IP and high-speed circuits.

2012 Compared to 2011

Mass Markets revenues increased during 2012 compared to 2011 primarily due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategy adopted in 2012, partially offset by the continued decline of local exchange revenues.

We continued to grow our subscriber base and improved penetration rates within our FiOS service areas during 2012. Also contributing to the increase in revenue from FiOS services were changes in our pricing strategy adopted in 2012. As of December 31, 2012, we achieved penetration rates of 37.3% and 33.3% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 35.5% and 31.5% for FiOS Internet and FiOS Video, respectively, at December 31, 2011.

Mass Markets revenues were negatively impacted by the decline of local exchange revenues primarily due to a 6.1% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, VoIP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections, primarily reflecting challenging economic conditions, competition and a shift to both IP and high-speed circuits.

Global Enterprise

Global Enterprise offers Strategic services including network products and solutions, advanced communications services and other core communications services to medium and large business customers, multinational corporations and state and federal government customers.

2013 Compared to 2012

Global Enterprise revenues decreased $0.6 billion, or 3.9%, during 2013 compared to 2012 primarily due to a $0.5 billion, or 27.1%, decline in Core customer premise equipment revenues as well as lower voice services and data networking revenues, which consist of traditional circuit-based services such as frame relay, private line and Asynchronous Transfer Mode (ATM) services. These core services declined in 2013 compared to 2012 as our customer base continued to migrate to next generation IP services. The decline in customer premise equipment revenues reflected our focus on improving margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. The decline is also due to lower revenue from public sector customers. This decrease was partially offset by growth in Strategic services revenues, which increased $0.4 billion, or 4.6%, during 2013 compared to 2012 primarily due to growth in advanced services, such as contact center solutions, IP communications and our cloud and data center offerings, as well as revenue from a telematics services business that we acquired in the third quarter of 2012.

2012 Compared to 2011

Global Enterprise revenues decreased during 2012 compared to 2011 primarily due to lower local services and traditional circuit-based revenues, a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation. Core services declined compared to the similar period in 2011 as our customer base continued to migrate to next generation IP services. The decline in customer premise equipment revenues reflected our focus on improving margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. This decrease was partially offset by higher Strategic services revenues. Strategic services revenues increased primarily due to growth in advanced services, such as managed network solutions, contact center solutions, IP communications and our cloud and data center offerings.

Global Wholesale

Global Wholesale provides communications services including data, voice and local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers.

2013 Compared to 2012

Global Wholesale revenues decreased $0.5 billion, or 7.3%, during 2013 compared to 2012 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a 5.2% decline in domestic wholesale connections. The traditional voice product reductions are primarily due to competitors de-emphasizing their local market initiatives coupled with the effect of technology substitution. Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers. As a result of the customer upgrades, the number of core data circuits experienced an 11.3% decline compared to the similar period in 2012.

2012 Compared to 2011

Global Wholesale revenues decreased during 2012 compared to 2011 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a 5.3% decline in domestic wholesale connections. The traditional voice product reductions are primarily due to the continued impact of competitors de-emphasizing their local market initiatives coupled with the impact of technology substitution. Also contributing to the decline in voice revenues is the elimination of low margin international products and the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers. As a result of the customer upgrades, the number of core data circuits experienced a 9.6% decline compared to the similar period in 2011. We expect Global Wholesale revenue to continue to decline approximately 10% per quarter compared to the similar period in 2011, as we believe that the continued decline in core products will only be partially offset by growth in Ethernet and IP services.

Other

Other revenues include such services as local exchange and long distance services outside of our network footprint and operator services which are no longer being marketed. The decrease in revenues from other services during 2013 and 2012 was primarily due to reduced volumes outside of our network footprint.

Operating Expenses

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Cost of services and sales	$ 21,928	$ 22,413	$ 22,156	$ (485)	(2.2)%	$ 257	1.2%
Selling, general and administrative expense	8,595	8,883	9,107	(288)	(3.2)	(224)	(2.5)
Depreciation and amortization expense	8,327	8,424	8,458	(97)	(1.2)	(34)	(0.4)
Total Operating Expenses	$ 38,850	$ 39,720	$ 39,723	$ (870)	(2.2)	$ (3)	-

Cost of Services and Sales

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in costs related to customer premise equipment which reflected our focus on improving margins by de-emphasizing sales of equipment that are not part of an overall enterprise solutions bundle, a decline in access costs resulting primarily from declines in overall wholesale long distance volumes and the net effect of storm-related insurance recoveries. These decreases were partially offset by higher content costs associated with continued FiOS subscriber growth and vendor rate increases.

Cost of services and sales increased during 2012 compared to 2011, primarily due to higher content costs associated with continued FiOS subscriber growth and vendor rate increases and increased expenses related to our cloud and data center offerings. Cost of services and sales was also impacted by higher costs related to FiOS installation, as well as higher repair and maintenance expenses caused by storm-related events in 2012 compared to 2011. The increases were partially offset by a decline in access costs primarily from management actions to reduce exposure to unprofitable international wholesale routes and declines in overall wholesale long distance volumes. Costs related to customer premise equipment also decreased, which reflected our focus on improving margins by de-emphasizing sales of equipment that are not part of an overall enterprise solutions bundle.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased during 2013 compared to 2012 primarily due to declines in employee costs, primarily as a result of reduced headcount, and declines in rent expenses, partially offset by higher transaction and property tax expenses.

Selling, general and administrative expense decreased during 2012 compared to 2011 primarily due to lower allocations related to centralized administrative functions, and to a lesser extent, lower property and transaction tax expenses and employee costs.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased during 2013 compared to 2012, as well as 2012 compared to 2011, due to decreases in net depreciable assets, partially offset by an increase in amortization expense related to non-network software.

Segment Operating Income and EBITDA

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Segment Operating Income	$ 373	$ 60	$ 959	$ 313	nm	$ (899)	(93.7)%
Add Depreciation and amortization expense	8,327	8,424	8,458	(97)	(1.2)%	(34)	(0.4)
Segment EBITDA	$ 8,700	$ 8,484	$ 9,417	$ 216	2.5	$ (933)	(9.9)
Segment operating income margin	1.0%	0.2%	2.4%				
Segment EBITDA margin	22.2%	21.3%	23.1%				

nm – not meaningful

The changes in Wireline's Operating income, Segment EBITDA and Segment EBITDA margin during the periods presented were primarily a result of the factors described in connection with operating revenues and operating expenses.

During 2012, $0.1 billion of non-recurring or non-operational items were excluded from Wireline's Operating income.

Gain on Spectrum License Transaction

During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the gain on the spectrum license transaction described above.

Wireless Transaction Costs

During 2013, as a result of the Wireless Transaction, we recorded costs of $0.9 billion primarily for interest expense of $0.7 billion related to the issuance of the new notes as well as $0.2 billion in fees primarily in connection with the bridge credit agreement (see "Consolidated Financial Condition").

Severance, Pension and Benefit (Credits) Charges

During 2013, we recorded net pre-tax severance, pension and benefits credits of approximately $6.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The credits were primarily driven by an increase in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4.2% at December 31, 2012 to a weighted-average of 5.0% at December 31, 2013 ($4.3 billion), lower than assumed retiree medical costs and other assumption adjustments ($1.4 billion) and the difference between our estimated return on assets of 7.5% at December 31, 2012 and our actual return on assets of 8.6% at December 31, 2013 ($0.5 billion).

During 2012, we recorded net pre-tax severance, pension and benefits charges of approximately $7.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from a weighted-average of 5% at December 31, 2011 to a weighted-average of 4.2% at December 31, 2012 ($5.3 billion) and revisions to the retirement assumptions for participants and other assumption adjustments, partially offset by the difference between our estimated return on assets of 7.5% and our actual return on assets of 10% ($0.7 billion). As part of this charge, we also recorded $1.0 billion related to the annuitization of pension liabilities (see "Employee Benefit Plan Funded Status and Contributions") as well as severance charges of $0.4 billion primarily for approximately 4,000 management employees.

During 2011, we recorded net pre-tax severance, pension and benefits charges of approximately $6.0 billion for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from 5.75% at December 31, 2010 to 5% at December 31, 2011 ($5.0 billion), the difference between our estimated return on assets of 8% and our actual return on assets of 5% ($0.9 billion), and revisions to the life expectancy of participants and other adjustments to assumptions.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the severance, pension and benefit (credits) charges presented above.

Early Debt Redemption and Other Costs

During November 2012, we recorded debt redemption costs of $0.8 billion in connection with the purchase of $0.9 billion of the $1.25 billion of 8.95% Verizon Communications Notes due 2039 in a cash tender offer.

During December 2012, we recorded debt redemption costs of $0.3 billion in connection with the early redemption of $0.7 billion of the $2.0 billion of 8.75% Verizon Communications Notes due 2018, $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A due March 2013 and $0.75 billion of 4.35% Verizon Communications Notes due February 2013, as well as $0.3 billion of other costs.

During November 2011, we recorded debt redemption costs of $0.1 billion in connection with the early redemption of $1.0 billion of 7.375% Verizon Communications Notes due September 2012, $0.6 billion of 6.875% Verizon Communications Notes due June 2012, $0.4 billion of 6.125% Verizon Florida Inc. Debentures due January 2013, $0.5 billion of 6.125% Verizon Maryland Inc. Debentures due March 2012 and $1.0 billion of 6.875% Verizon New York Inc. Debentures due April 2012.

Litigation Settlements

In the third quarter of 2012, we settled a number of patent litigation matters, including cases with ActiveVideo Networks Inc. (ActiveVideo) and TiVo Inc. (TiVo). In connection with the settlements with ActiveVideo and TiVo, we recorded a charge of $0.4 billion in the third quarter of 2012 and will pay and recognize over the following six years an additional $0.2 billion.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the litigation settlement costs presented above.

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Cash Flows Provided By (Used In)			
Operating activities	$ 38,818	$ 31,486	$ 29,786
Investing activities	(14,833)	(20,502)	(17,280)
Financing activities	26,350	(7,225)	(5,536)
Increase (Decrease) In Cash and Cash Equivalents	$ 50,335	$ (3,241)	$ 6,970

We use the net cash generated from our operations to fund network expansion and modernization, repay external financing, pay dividends, repurchase Verizon common stock from time to time and invest in new businesses. Our sources of funds, primarily from operations and, to the extent necessary, from external financing arrangements, are sufficient to meet ongoing operating and investing requirements. The cash portion of the purchase price for the Wireless Transaction was primarily funded by the incurrence of third-party indebtedness, including the issuance of $49.0 billion aggregate principal amount of fixed and floating rate notes and other indebtedness (see "Acquisitions and Divestitures"). We expect that our capital spending requirements will continue to be financed primarily through internally generated funds. Debt or equity financing may be needed to fund additional investments or development activities or to maintain an appropriate capital structure, to ensure our financial flexibility. Our cash and cash equivalents are primarily held domestically in diversified accounts and are invested to maintain principal and liquidity. Accordingly, we do not have significant exposure to foreign currency fluctuations.

The volatility in world debt and equity markets has not had a significant effect on our ability to access external financing. Our available external financing arrangements include credit available under credit facilities and other bank lines of credit, vendor financing arrangements, issuances of registered debt or equity securities and privately-placed capital market securities. We may also issue short-term debt through an active commercial paper program and have a $6.2 billion credit facility to support such commercial paper issuances. In addition, during 2013, we entered into a $2.0 billion 364-day revolving credit agreement.

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations, primarily from our Wireless segment. Net cash provided by operating activities during 2013 increased by $7.3 billion compared to 2012, primarily due to higher consolidated earnings, lower pension contributions and improved working capital levels. The increase in net cash provided by operating activities in 2013 was partially offset by net distributions of $0.2 billion received from Vodafone Omnitel in 2012.

Net cash provided by operating activities during 2012 increased by $1.7 billion compared to 2011, primarily due to higher consolidated earnings, as well as improved working capital levels, due to timing differences, partially offset by an increase in pension contributions. Net cash provided by operating activities during 2012 and 2011 included net distributions received from Vodafone Omnitel of $0.3 billion and $0.4 billion, respectively.

Cash Flows Used In Investing Activities

Capital Expenditures

Capital expenditures continue to be our primary use of capital resources as they facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency and productivity of our networks.

Capital expenditures, including capitalized software, were as follows:

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Wireless	$ 9,425	$ 8,857	$ 8,973
Wireline	6,229	6,342	6,399
Other	950	976	872
	$ 16,604	$ 16,175	$ 16,244
Total as a percentage of revenue	13.8%	14.0%	14.7%

Capital expenditures increased at Wireless in 2013 compared to 2012 in order to substantially complete the build-out of our 4G LTE network. Capital expenditures declined at Wireline as a result of decreased legacy spending requirements and a decline in spending on our FiOS network.

Capital expenditures declined slightly at Wireless in 2012 compared to 2011 due to the decreased investment in the capacity of our wireless EV-DO network, partially offset by the increased build-out of our 4G LTE network. Capital expenditures declined slightly at Wireline due to lower legacy spending requirements.

Acquisitions

During 2013, 2012 and 2011, we invested $0.6 billion, $4.3 billion and $0.2 billion, respectively, in acquisitions of wireless licenses. During 2013, 2012 and 2011, we also invested $0.5 billion, $0.9 billion and $1.8 billion, respectively, in acquisitions of investments and businesses, net of cash acquired.

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. In February 2014, Verizon acquired a business dedicated to the development of cloud television products and services for cash consideration that was not significant.

During 2012, we paid approximately $4.3 billion to acquire wireless licenses primarily to meet future LTE capacity needs and enable LTE expansion. Additionally, during 2012, we acquired HUGHES Telematics, a provider of telematics services, for $0.6 billion. See "Acquisitions and Divestitures" for additional details.

During April 2011, we paid approximately $1.4 billion for the equity of Terremark, which was partially offset by $0.1 billion of cash acquired (see "Acquisitions and Divestitures"). See "Cash Flows From Financing Activities" regarding the debt obligations of Terremark that were repaid during May 2011. In addition, during 2011, we acquired various wireless licenses and markets as well as a provider of cloud software technology for cash consideration that was not significant.

Dispositions

During 2013, we completed the sale of 700 MHz lower B block spectrum licenses and as a result we received proceeds of $2.4 billion. Additionally, on January 6, 2014, we announced agreements with T-Mobile USA Inc. (T-Mobile USA) pursuant to which we will dispose of our remaining 700 MHz A block spectrum licenses and as a result of these agreements we expect to receive cash consideration of approximately $2.4 billion and additional spectrum. See "Acquisitions and Divestitures" for additional information.

During 2012, we received $0.4 billion related to the sale of some of our 700 MHz lower A and B block spectrum licenses. We acquired these licenses as part of Federal Communications Commission (FCC) Auction 73 in 2008.

Other, net

During 2011, Other, net primarily included proceeds related to the sales of long-term investments, which were not significant to our consolidated statements of income.

Cash Flows Provided by (Used In) Financing Activities

We seek to maintain a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. During 2013, 2012 and 2011, net cash provided by (used in) financing activities was $26.3 billion, $(21.3) billion and $(5.8) billion, respectively.

2013

During March 2013, we issued $0 5 billion aggregate principal amount of floating rate Notes due 2015 in a private placement resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The proceeds were used for the repayment of commercial paper

During April 2013, $1 25 billion of 5 25% Verizon Communications Notes matured and were repaid During May 2013, $0 1 billion of 7 0% Verizon New York Inc Debentures matured and were repaid During June 2013, $0 5 billion of 4 375% Verizon Communications Notes and $0 1 billion of 7 0% Verizon New York Inc Debentures matured and were repaid In addition, during June 2013, we redeemed $0 25 billion of 7 15% Verizon Maryland LLC Debentures due May 2023 at a redemption price of 100% of the principal amount of the debentures

During September 2013, in connection with the Wireless Transaction, we issued $49 0 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $48 7 billion, net of discounts and issuance costs The issuances consisted of the following $2 25 billion aggregate principal amount of floating rate Notes due 2016 that bear interest at a rate equal to three-month London Interbank Offered Rate (LIBOR) plus 1 53% which rate will be reset quarterly $1 75 billion aggregate principal amount of floating rate Notes due 2018 that bear interest at a rate equal to three-month LIBOR plus 1 75% which rate will be reset quarterly, $4 25 billion aggregate principal amount of 2 50% Notes due 2016, $4 75 billion aggregate principal amount of 3 65% Notes due 2018 $4 0 billion aggregate principal amount of 4 50% Notes due 2020 $11 0 billion aggregate principal amount of 5 15% Notes due 2023, $6 0 billion aggregate principal amount of 6 40% Notes due 2033 and $15 0 billion aggregate principal amount of 6 55% Notes due 2043 (collectively, the new notes) The proceeds of the new notes were used to finance in part, the Wireless Transaction and to pay related fees and expenses As a result of the issuance of the new notes, we incurred interest expense related to the Wireless Transaction of $0 7 billion during 2013

During October 2013, $0 3 billion of 4 75% Verizon New England Inc Debentures matured and were repaid

During November 2013, $1 25 billion of 7 375% Verizon Wireless Notes and $0 2 billion of 6 5% Verizon Wireless Notes matured and were repaid During November 2013 Verizon Wireless redeemed $3 5 billion of 5 55% Notes due February 1 2014 at a redemption price of 101% of the principal amount of the notes and $0 3 billion of 6 70% Verizon New York Inc Debentures due November 2023 at a redemption price of 100% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date of redemption

During December 2013, we redeemed $0.2 billion of 7 0% Verizon New York Inc Debentures due December 2033 at a redemption price of 100% of the principal amount of the debentures and $20 million of 7 0% Verizon Delaware LLC Debentures due December 2023 at a redemption price of 100% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date of redemption

In addition, during 2013 we utilized $0.2 billion under fixed rate vendor financing facilities

During February 2014, we issued €1 75 billion aggregate principal amount of 2 375% Notes due 2022 €1 25 billion aggregate principal amount of 3.25% Notes due 2026 and £0 85 billion aggregate principal amount of 4 75% Notes due 2034 The issuance of these Notes resulted in cash proceeds of approximately $5 4 billion, net of discounts and issuance costs The net proceeds were used, in part, to finance the Wireless Transaction Any net proceeds not used to finance the Wireless Transaction will be used for general corporate purposes Also, during February 2014, we issued $0 5 billion aggregate principal amount of 5 9% Retail Notes due 2054 resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The proceeds will be used for general corporate purposes

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5 0 billion aggregate principal amount of floating rate notes The Verizon Notes were issued in two separate series, with $2 5 billion due February 21 2022 and $2.5 billion due February 21, 2025 The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 (see "Acquisitions and Divestitures"). The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%

Term Loan Agreement

During October 2013, we entered into a term loan agreement with a group of major financial institutions pursuant to which we drew $6 6 billion in February 2014 to finance, in part, the Wireless Transaction and to pay transaction costs Half of any loans under the term loan agreement have a maturity of three years and the other half have a maturity of five years (the 5-Year Loans) The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding Loans under the term loan agreement bear interest at floating rates The term loan agreement contains certain negative covenants including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3 50 1 00, until our credit ratings reach a certain level

Bridge Credit Agreement

During September 2013, we entered into a $61 0 billion bridge credit agreement with a group of major financial institutions The credit agreement provided us with the ability to borrow up to $61 0 billion to finance, in part, the Wireless Transaction and to pay related transaction costs Following the September 2013 issuance of notes, borrowing availability under the bridge credit agreement was reduced to $12 0 billion Following the effectiveness of the term loan agreement in October 2013, the bridge credit agreement was terminated in accordance with its terms and as such the related fees of $0 2 billion were recognized in Other income and (expense), net during the fourth quarter of 2013

2012

During January 2012, $1 0 billion of 5 875% Verizon New Jersey Inc Debentures matured and were repaid During February 2012, $0 8 billion of 5 25% Verizon Wireless Notes matured and were repaid During July 2012, $0 8 billion of 7 0% Verizon Wireless Notes matured and were repaid In addition during 2012 we utilized $0 2 billion under fixed rate vendor financing facilities

On November 2 2012, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the outstanding $1 25 billion aggregate principal amount of 8 95% Verizon Communications Notes due 2039 In the Tender Offer that was completed November 9 2012 $0 9 billion aggregate principal amount of the notes was purchased and $0 35 billion principal amount of the notes remained outstanding Any accrued and unpaid interest on the principal purchased was paid to the date of purchase

During November 2012 we issued $4 5 billion aggregate principal amount of fixed rate notes at varying maturities resulting in cash proceeds of approximately $4 47 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes, for the Tender Offer and to redeem $0 7 billion of $2 0 billion of 8 75% Verizon Communications Notes due 2038 $1 0 billion of 4 625% Verizon Virginia LLC Debentures, Series A due 2013 and $0 75 billion of 4 35% Verizon Communications Notes due 2013

In addition, during 2012 various fixed rate notes totaling approximately $0 2 billion were repaid and any accrued and unpaid interest was paid to the date of payment

See "Other Items" regarding the early debt redemption costs incurred in connection with the aforementioned repurchases and redemptions

2011

During 2011 proceeds from long-term borrowings totaled $11 1 billion, which was primarily used to repay outstanding debt, redeem higher interest bearing debt maturing in the near term and for other general corporate purposes

During 2011, $0 5 billion of 5 35% Verizon Communications Notes matured and were repaid and we utilized $0 3 billion under fixed rate vendor financing facilities

During March 2011 we issued $6 25 billion aggregate principal amount of fixed and floating rate notes at varying maturities resulting in cash proceeds of approximately $6 19 billion net of discounts and issuance costs The net proceeds were used for the repayment of commercial paper and other general corporate purposes, as well as to redeem $2 0 billion aggregate principal amount of telephone subsidiary debt during April 2011

The debt obligations of Terremark that were outstanding at the time of its acquisition by Verizon were repaid during the second quarter of 2011

During November 2011 we issued $4 6 billion aggregate principal amount of fixed rate notes at varying maturities resulting in cash proceeds of approximately $4 55 billion net of discounts and issuance costs During November 2011, the net proceeds were used to redeem $2 0 billion aggregate principal amount of Verizon Communications notes and $1 0 billion aggregate principal amount of telephone subsidiary debt The remaining net proceeds were used for the repayment of commercial paper and other general corporate purposes See "Other Items" regarding the early debt redemption costs incurred in connection with the aforementioned redemptions

During December 2011, we repaid $0 9 billion upon maturity for the €0 7 billion of 7 625% Verizon Wireless Notes, and the related cross currency swap was settled During May 2011, $4 0 billion Verizon Wireless two-year fixed and floating rate notes matured and were repaid

Special Distributions

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date in the aggregate amount of $7 0 billion As a result, Vodafone received a cash payment of $3 15 billion and the remainder of the distribution was received by Verizon

In November 2012, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the fourth quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $8.5 billion. As a result, Vodafone received a cash payment of $3.8 billion and the remainder of the distribution was received by Verizon.

In July 2011, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the first quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $10 billion. As a result, Vodafone received a cash payment of $4.5 billion and the remainder of the distribution was received by Verizon.

Other, net

The change in Other, net financing activities during 2013 compared to 2012 was primarily driven by higher distributions to Vodafone, which owned a 45% noncontrolling interest in Verizon Wireless as of December 31, 2013. The change in Other, net financing activities during 2012 compared to 2011 was primarily driven by higher distributions to Vodafone and higher early debt redemption costs (see "Other Items").

Dividends

The Verizon Board of Directors determines the appropriateness of the level of our dividend payments on a periodic basis by considering such factors as long-term growth opportunities, internal cash requirements and the expectations of our shareowners. *During the third quarter of 2013, the Board increased our quarterly dividend payment 2.9% to $.53 per share, from $.515 per share* in the same period of 2012. This is the seventh consecutive year that Verizon's Board of Directors has approved a quarterly dividend increase. During the third quarter of 2012, the Board increased our quarterly dividend payment 3.0% to $.515 per share from $.50 per share in the same period of 2011. During the third quarter of 2011, the Board increased our quarterly dividend payment 2.6% to $.50 per share from $.4875 per share in the same period of 2010.

During 2013, we paid $5.9 billion in dividends compared to $5.2 billion in 2012 and $5.6 billion in 2011. As in prior periods, dividend payments were a significant use of capital resources. While the dividends declared per common share increased in 2012 compared to 2011, the total amount of cash dividends paid decreased during 2012 compared to the prior year as a portion of the dividends was satisfied through the issuance of common shares from Treasury stock (see "Common Stock").

Credit Facilities

On August 13, 2013, we amended our $6.2 billion credit facility with a group of major financial institutions to extend the maturity date to August 12, 2017. As of December 31, 2013, the unused borrowing capacity under this credit facility was approximately $6.1 billion. The credit facility does not require us to comply with financial covenants or maintain specified credit ratings, and it permits us to borrow even if our business has incurred a material adverse change. We use the credit facility to support the issuance of commercial paper, for the issuance of letters of credit and for general corporate purposes.

During October 2013, we entered into a $2.0 billion 364-day revolving credit agreement with a group of major financial institutions. Although effective as of October 2013, we could not draw on this revolving credit agreement prior to the completion of the Wireless Transaction. We may use borrowings under the 364-day credit agreement for general corporate purposes. The 364-day revolving credit agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, this agreement requires us to maintain a leverage ratio (as defined in the agreement) not in excess of 3.50 to 1.00, until our credit ratings reach a certain level.

Common Stock

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 24.6 million common shares issued from Treasury stock during 2012 related to dividend payments, which had an aggregate value of $1.0 billion. On February 3, 2011, the Board of Directors replaced the previously authorized share buyback program with a new program for the repurchase of up to 100 million common shares terminating no later than the close of business on February 28, 2014. The Board also determined that no additional shares were to be purchased under the prior program. During 2013, we repurchased $0.2 billion of our common stock under this program. There were no repurchases of common stock during 2012 or 2011.

As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares

Credit Ratings

During the third quarter of 2013, Verizon's credit ratings were downgraded by Moody's Investors Service (Moody's), Standard & Poor's Ratings Services (Standard & Poor's) and Fitch Ratings (Fitch) as a result of Verizon's announcement of the agreement to acquire Vodafone's 45% noncontrolling interest in Verizon Wireless for approximately $130 billion including the incurrence of third-party indebtedness to fund the cash portion of the purchase price for the Wireless Transaction. Moody's downgraded Verizon's long-term debt ratings one notch from A3 to Baa1, while Standard & Poor's lowered its corporate credit rating and senior unsecured debt rating one notch from A- to BBB+ and Fitch lowered its long-term issuer default rating and senior unsecured debt rating one notch from A to A-.

Although the ratings downgrade is not expected to significantly impact our access to capital, it could increase both the cost of refinancing debt and the cost of financing any new capital requirements. Securities ratings assigned by rating organizations are expressions of opinion and are not recommendations to buy, sell or hold securities. A securities rating is subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Covenants

Our credit agreements contain covenants that are typical for large, investment grade companies. These covenants include requirements to pay interest and principal in a timely fashion, pay taxes, maintain insurance with responsible and reputable insurance companies, preserve our corporate existence, keep appropriate books and records of financial transactions, maintain our properties, provide financial and other reports to our lenders, limit pledging and disposition of assets and mergers and consolidations and other similar covenants. Additionally, the term loan credit agreement and the 364-day revolving credit agreement require us to maintain a leverage ratio (as such term is defined in those agreements) not in excess of 3.50 to 1.00 until our credit ratings are equal to or higher than A3 and A-.

We and our consolidated subsidiaries are in compliance with all debt covenants.

Increase (Decrease) In Cash and Cash Equivalents

Our Cash and cash equivalents at December 31, 2013 totaled $53.5 billion, a $50.4 billion increase compared to Cash and cash equivalents at December 31, 2012 primarily as a result of the issuance of $49.0 billion aggregate principal amount of fixed and floating rate notes.

Our Cash and cash equivalents at December 31, 2012 totaled $3.1 billion, a $10.3 billion decrease compared to Cash and cash equivalents at December 31, 2011 as a result of the factors described in connection with our cash flows provided by operating activities, cash flows used in investing activities and cash flows used in financing activities.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that management believes is useful to investors and other users of Verizon's financial information in evaluating cash available to pay debt and dividends. Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities. The following table reconciles net cash provided by operating activities to Free cash flow.

			(dollars in millions)
Years Ended December 31,	2013	2012	2011
Net cash provided by operating activities	$ 38,818	$ 31,486	$ 29,780
Less Capital expenditures (including capitalized software)	16,604	16,175	16,244
Free cash flow	$ 22,214	$ 15,311	$ 13,536

The changes in free cash flow during 2013, 2012 and 2011 were a result of the factors described in connection with net cash provided by operating activities and capital expenditures.

Employee Benefit Plan Funded Status and Contributions

Pension Annuitization

On October 17, 2012, we, along with our subsidiary Verizon Investment Management Corp., and Fiduciary Counselors Inc., as independent fiduciary of the Verizon Management Pension Plan (the Plan), entered into a definitive purchase agreement with The Prudential Insurance Company of America (Prudential) and Prudential Financial, Inc., pursuant to which the Plan would purchase a single premium group annuity contract from Prudential.

On December 10, 2012, upon issuance of the group annuity contract by Prudential, Prudential irrevocably assumed the obligation to make future annuity payments to approximately 41,000 Verizon management retirees who began receiving pension payments from the Plan prior to January 1, 2010. The amount of each retiree's annuity payment equals the amount of such individual's pension benefit. In addition, the group annuity contract is intended to replicate the same rights to future payments, such as survivor benefits, that are currently offered by the Plan.

We contributed approximately $2.6 billion to the Plan between September 1, 2012 and December 31, 2012 in connection with the transaction so that the Plan's funding percentage would not decrease as a result of the transaction.

Employer Contributions

We operate numerous qualified and nonqualified pension plans and other postretirement benefit plans. These plans primarily relate to our domestic business units. During 2013, contributions to our qualified pension plans were not material. During 2012 and 2011, we contributed $0.9 billion and $0.4 billion, respectively, to our qualified pension plans, excluding the pension annuitization discussed above. We also contributed $0.1 billion, $0.2 billion and $0.1 billion to our nonqualified pension plans in 2013, 2012 and 2011, respectively.

In an effort to reduce the risk of our portfolio strategy and better align assets with liabilities, we have adopted a liability driven pension strategy that seeks to better match cash flows from investments with projected benefit payments. We expect that the strategy will reduce the likelihood that assets will decline at a time when liabilities increase (referred to as liability hedging), with the goal to reduce the risk of underfunding to the plan and its participants and beneficiaries; however, we also expect the strategy to result in lower asset returns. Based on this strategy and the funded status of the plans at December 31, 2013, we expect the minimum required qualified pension plan contribution in 2014 to be $1.2 billion. Nonqualified pension contributions are estimated to be approximately $0.2 billion in 2014.

Contributions to our other postretirement benefit plans generally relate to payments for benefits on an as-incurred basis since the other postretirement benefit plans do not have funding requirements similar to the pension plans. We contributed $1.4 billion, $1.5 billion and $1.4 billion to our other postretirement benefit plans in 2013, 2012 and 2011, respectively. Contributions to our other postretirement benefit plans are estimated to be approximately $1.4 billion in 2014.

Leasing Arrangements

We are the lessor in leveraged and direct financing lease agreements for commercial aircraft and power generating facilities which comprise the majority of our leasing portfolio along with telecommunications equipment, commercial real estate property and other equipment. These leases have remaining terms of up to 37 years as of December 31, 2013. In addition, we lease space on certain of our cell towers to other wireless carriers. Minimum lease payments receivable represent unpaid rentals, less principal and interest on third-party nonrecourse debt relating to leveraged lease transactions. Since we have no general liability for this debt, which is secured by a senior security interest in the leased equipment and rentals, the related principal and interest have been offset against the minimum lease payments receivable in accordance with U.S. GAAP. All recourse debt is reflected in our consolidated balance sheets.

Off Balance Sheet Arrangements and Contractual Obligations

Contractual Obligations and Commercial Commitments

The following table provides a summary of our contractual obligations and commercial commitments at December 31, 2013. Additional detail about these items is included in the notes to the consolidated financial statements.

(dollars in millions)

	Payments Due By Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt[1]	$ 92,851	$ 3,395	$ 13,266	$ 16,252	$ 59,738
Capital lease obligations[2]	293	91	92	49	61
Total long-term debt, including current maturities	93,144	3,486	13,558	16,301	59,799
Interest on long-term debt[1]	74,938	4,816	9,419	8,609	52,094
Operating leases[2]	12,190	2,255	3,723	2,464	3,748
Purchase obligations[3]	33,440	19,724	8,778	4,163	775
Other long-term liabilities[4]	4,404	2,825	1,579	–	–
Total contractual obligations	$ 218,116	$ 33,106	$ 37,057	$ 31,537	$ 116,416

[1] Items included in long-term debt with variable coupon rates are described in Note 8 to the consolidated financial statements.

[2] See Note 7 to the consolidated financial statements.

[3] The purchase obligations reflected above are primarily commitments to purchase handsets and peripherals, equipment, software, programming and network services and marketing activities, which will be used or sold in the ordinary course of business. These amounts do not represent our entire anticipated purchases in the future, but represent only those items that are the subject of contractual obligations. We also purchase products and services as needed with no firm commitment. For this reason, the amounts presented in this table alone do not provide a reliable indicator of our expected future cash outflows or changes in our expected cash position (see Note 16 to the consolidated financial statements).

[4] Other long-term liabilities include estimated postretirement benefit and qualified pension plan contributions (see Note 11 to the consolidated financial statements).

We are not able to make a reliable estimate of when the unrecognized tax benefits balance of $2.1 billion and related interest and penalties will be settled with the respective taxing authorities until issues or examinations are further developed (see Note 12 to the consolidated financial statements).

Guarantees

In connection with the execution of agreements for the sale of businesses and investments, Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters, such as ownership of the securities being sold, as well as financial losses (see Note 16 to the consolidated financial statements).

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries. As of December 31, 2013, $3.1 billion principal amount of these obligations remain outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, which will occur, among other things, if the operating telephone company is no longer a wholly-owned subsidiary of Verizon.

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of December 31, 2013, $1.7 billion principal amount of these obligations remained outstanding (see Note 8 to the consolidated financial statements).

As of December 31, 2013, letters of credit totaling approximately $0.1 billion, which were executed in the normal course of business and support several financing arrangements and payment obligations to third parties, were outstanding (see Note 16 to the consolidated financial statements).

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes, foreign currency exchange rate fluctuations, changes in investment, equity and commodity prices and changes in corporate tax rates. We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks. We do not hold derivatives for trading purposes.

It is our general policy to enter into interest rate, foreign currency and other derivative transactions only to the extent necessary to achieve our desired objectives in limiting our exposure to various market risks. Our objectives include maintaining a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. We do not hedge our market risk exposure in a manner that would completely eliminate the effect of changes in interest rates and foreign exchange rates on our earnings. We do not expect that our net income, liquidity and cash flows will be materially affected by these risk management strategies.

Interest Rate Risk

We are exposed to changes in interest rates, primarily on our short-term debt and the portion of long-term debt that carries floating interest rates. As of December 31, 2013, approximately 92% of the aggregate principal amount of our total debt portfolio consisted of fixed rate indebtedness, including the effect of interest rate swap agreements designated as hedges. The impact of a 100 basis point change in interest rates affecting our floating rate debt would result in a change in annual interest expense, including our interest rate swap agreements that are designated as hedges, of approximately $0.4 billion. The interest rates on our existing long-term debt obligations are unaffected by changes to our credit ratings.

The table that follows summarizes the fair values of our long-term debt, including current maturities, and interest rate swap derivatives as of December 31, 2013 and 2012. The table also provides a sensitivity analysis of the estimated fair values of these financial instruments assuming 100-basis-point upward and downward shifts in the yield curve. Our sensitivity analysis does not include the fair values of our commercial paper and bank loans, if any, because they are not significantly affected by changes in market interest rates.

(dollars in millions)

At December 31, 2013	Fair Value	Fair Value assuming +100 basis point shift	Fair Value assuming -100 basis point shift
Long-term debt and related derivatives	$ 103,103	$ 95,497	$ 111,910
At December 31, 2012			
Long-term debt and related derivatives	$ 61,045	$ 56,929	$ 65,747

Interest Rate Swaps

We have entered into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our consolidated balance sheets as assets and liabilities.

During 2012, interest rate swaps with a notional value of $5.8 billion were settled. As a result of the settlements, we received net proceeds of $0.7 billion, including accrued interest which is included in Other, net operating activities in the consolidated statement of cash flows. The fair value basis adjustment to the underlying debt instruments was recognized into earnings as a reduction of interest expense over the remaining lives of the underlying debt obligations. During the second quarter of 2013, interest rate swaps with a notional value of $1.25 billion matured and the impact to our consolidated financial statements was not material. During the third quarter of 2013, we entered into interest rate swaps with a total notional value of $1.8 billion. At December 31, 2013 and 2012, the fair value of these interest rate swaps was not material. At December 31, 2013, the total notional amount of these interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material at December 31, 2013.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a notional value of $2.0 billion. We designated these contracts as cash flow hedges. The fair value of these contracts was not material at December 31, 2013.

Foreign Currency Translation

The functional currency for our foreign operations is primarily the local currency. The translation of income statement and balance sheet amounts of our foreign operations into U.S. dollars is recorded as cumulative translation adjustments, which are included in Accumulated other comprehensive income in our consolidated balance sheets. Gains and losses on foreign currency transactions are recorded in the consolidated statements of income in Other income and (expense), net. At December 31, 2013, our primary translation exposure was to the British Pound Sterling, the Euro, the Australian Dollar and the Japanese Yen.

Cross Currency Swaps

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.6 billion of British Pound Sterling and Euro denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses. A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations. The fair value of the outstanding swaps was not material at December 31, 2013 or December 31, 2012. During 2013 and 2012 the gains with respect to these swaps were not material.

During February 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Critical Accounting Estimates

A summary of the critical accounting estimates used in preparing our financial statements is as follows:

- Wireless licenses and Goodwill are a significant component of our consolidated assets. Both our wireless licenses and goodwill are treated as indefinite-lived intangible assets and, therefore are not amortized, but rather are tested for impairment annually in the fourth fiscal quarter, unless there are events or changes in circumstances during an interim period that indicate these assets may not be recoverable. We believe our estimates and assumptions are reasonable and represent appropriate marketplace considerations as of the valuation date. We do not believe that reasonably likely adverse changes in our assumptions and estimates would result in an impairment charge as of our latest impairment testing date. However, if there is a substantial and sustained adverse decline in our operating profitability, we may have impairment charges in future years. Any such impairment charge could be material to our results of operations and financial condition.

Wireless Licenses

The carrying value of our wireless licenses was approximately $75.7 billion as of December 31, 2013. We aggregate our wireless licenses into one single unit of accounting, as we utilize our wireless licenses on an integrated basis as part of our nationwide wireless network. Our wireless licenses provide us with the exclusive right to utilize certain radio frequency spectrum to provide wireless communication services. There are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses. In 2013, we performed a qualitative impairment assessment to determine whether it is more likely than not that the fair value of our wireless licenses was less than the carrying amount. As part of our assessment we considered several qualitative factors including the business enterprise value of Wireless, macroeconomic conditions (including changes in interest rates and discount rates), industry and market considerations (including industry revenue and EBITDA margin projections), the projected financial performance of Wireless as well as other factors. Based on our assessment in 2013, we qualitatively concluded that it was more likely than not that the fair value of our wireless licenses significantly exceeded their carrying value and therefore did not result in an impairment.

In 2012 and 2011, our quantitative impairment test consisted of comparing the estimated fair value of our wireless licenses to the aggregated carrying amount as of the test date. If the estimated fair value of our wireless licenses was less than the aggregated carrying amount of the wireless licenses then an impairment charge would have been recognized. Our annual quantitative impairment tests for 2012 and 2011 indicated that the fair value significantly exceeded the carrying value and therefore did not result in an impairment.

In 2013 and 2012, using a quantitative assessment, we estimated the fair value of our wireless licenses using a direct income-based valuation approach. This approach uses a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date. As a result we were required to make significant estimates about future cash flows specifically associated with our wireless licenses, an appropriate discount rate based on the risk associated with those estimated cash flows and assumed terminal value and growth rates. We considered

current and expected future economic conditions current and expected availability of wireless network technology and infrastructure and related equipment and the costs thereof as well as other relevant factors in estimating future cash flows The discount rate represented our estimate of the weighted-average cost of capital (WACC) or expected return that a marketplace participant would have required as of the valuation date We developed the discount rate based on our consideration of the cost of debt and equity of a group of guideline companies as of the valuation date Accordingly, our discount rate incorporated our estimate of the expected return a marketplace participant would have required as of the valuation date, including the risk premium associated with the current and expected economic conditions as of the valuation date The terminal value growth rate represented our estimate of the marketplace s long-term growth rate

Goodwill

At December 31, 2013 the balance of our goodwill was approximately $24 6 billion, of which $18 4 billion was in our Wireless segment and $6 2 billion was in our Wireline segment Determining whether an impairment has occurred requires the determination of fair value of each respective reporting unit Our operating segments Wireless and Wireline are deemed to be our reporting units for purposes of goodwill impairment testing The fair value of Wireless significantly exceeded its carrying value and the fair value of Wireline exceeded its carrying value Accordingly, our annual impairment tests for 2013, 2012 and 2011 did not result in an impairment

The fair value of the reporting unit is calculated using a market approach and a discounted cash flow method The market approach includes the use of comparative multiples to corroborate discounted cash flow results The discounted cash flow method is based on the present value of two components—projected cash flows and a terminal value The terminal value represents the expected normalized future cash flows of the reporting unit beyond the cash flows from the discrete projection period The fair value of the reporting unit is calculated based on the sum of the present value of the cash flows from the discrete period and the present value of the terminal value The estimated cash flows are discounted using a rate that represents our WACC

- We maintain benefit plans for most of our employees, including, for certain employees pension and other postretirement benefit plans At December 31, 2013, in the aggregate, pension plan benefit obligations exceeded the fair value of pension plan assets, which will result in higher future pension plan expense Other postretirement benefit plans have larger benefit obligations than plan assets, resulting in expense Significant benefit plan assumptions, including the discount rate used, the long-term rate of return on plan assets and health care trend rates are periodically updated and impact the amount of benefit plan income expense assets and obligations A sensitivity analysis of the impact of changes in these assumptions on the benefit obligations and expense (income) recorded, as well as on the funded status due to an increase or a decrease in the actual versus expected return on plan assets as of December 31, 2013 and for the year then ended pertaining to Verizon's pension and postretirement benefit plans is provided in the table below

(dollars in millions)	Percentage point change	Increase (decrease) at December 31, 2013*
Pension plans discount rate	+0 50	$ (1,105)
	-0 50	1,224
Rate of return on pension plan assets	+1 00	(166)
	-1 00	166
Postretirement plans discount rate	+0 50	(1,332)
	-0 50	1,486
Rate of return on postretirement plan assets	+1 00	(26)
	-1 00	26
Health care trend rates	+1 00	2,539
	-1 00	(2,086)

* In determining its pension and other postretirement obligation the Company used a weighted-average discount rate of 5 0% The rate was selected to approximate the composite interest rates available on a selection of high-quality bonds available in the market at December 31, 2013 The bonds selected had maturities that coincided with the time periods during which benefits payments are expected to occur, were non-callable and available in sufficient quantities to ensure marketability (at least $0 3 billion par outstanding)

- Our current and deferred income taxes, and associated valuation allowances are impacted by events and transactions arising in the normal course of business as well as in connection with the adoption of new accounting standards, changes in tax laws and rates, acquisitions and dispositions of businesses and non-recurring items As a global commercial enterprise, our income tax rate and the classification of income taxes can be affected by many factors, including estimates of the timing and realization of deferred income tax assets and the timing and amount of income tax payments. We account for tax benefits taken or expected to be taken in our tax returns in accordance with the accounting standard relating to the uncertainty in income taxes, which requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return We review and adjust our liability for unrecognized tax benefits based on our best judgment given the facts, circumstances, and information available at each reporting date To the extent that the final outcome of these tax positions is different than the amounts recorded such differences may impact income tax expense and actual tax payments We recognize any interest and penalties accrued related to unrecognized tax benefits in income tax expense Actual tax payments may materially differ from estimated liabilities as a result of changes in tax laws as well as unanticipated transactions impacting related income tax

balances

- Our Plant, property and equipment balance represents a significant component of our consolidated assets. We record plant, property and equipment at cost We depreciate plant, property and equipment on a straight-line basis over the estimated useful life of the assets We expect that a one-year increase in estimated useful lives of our plant, property and equipment would result in a decrease to our 2013 depreciation expense of $1 8 billion and that a one-year decrease would result in an increase of approximately $2 1 billion in our 2013 depreciation expense.

Recent Accounting Standards

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward a similar tax loss, or a tax credit carryforward exists was issued The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction defened tax assets for a net operating loss carryforward, a similar tax loss or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed We will adopt this standard update during the first quarter of 2014 We are currently evaluating the consolidated balance sheet impact related to this standard update

Wireless

Wireless Transaction

On September 2 2013 Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone and Vodafone 4 Limited (Seller) pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b a Verizon Wireless (the Partnership and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion

On February 21 2014 pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 3 Inc a subsidiary of Seller (VFI Inc) which indirectly through certain subsidiaries (together with VFI Inc , the Purchased Entities) owned the Vodafone Interest In consideration for the Transferred Shares, upon completion of the Wireless Transaction Verizon (i) paid approximately $58 89 billion in cash (ii) issued approximately $60 15 billion of Verizon s common stock, par value $0 10 per share (the Stock Consideration), (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5 0 billion (the Verizon Notes) (iv) sold Verizon's indirectly owned 23 1% interest in Vodafone Omnitel N V (Omnitel, and such interest the Omnitel Interest) valued at $3 5 billion and (v) provided other consideration of approximately $2 5 billion As a result of the Wireless Transaction, Verizon issued approximately 1 27 billion shares The total cash paid to Vodafone and the other costs of the Wireless Transaction including financing legal and bank fees, were financed through the incurrence of third party indebtedness (see "Consolidated Financial Condition")

In accordance with the accounting standard on consolidation a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted As a result we will account for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in Verizon Wireless Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted will be recognized in equity attributable to Verizon

Omnitel Transaction

On February 25 2014 Verizon and Vodafone also implemented the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement We will recognize a gain on the disposal of the Omnitel interest in the first quarter of 2014

Verizon Notes

The Verizon Notes were issued pursuant to Verizon s existing indenture The Verizon Notes were issued in two separate series with $2 5 billion due February 21 2022 and $2 5 billion due February 21 2025 The Verizon Notes bear interest at a floating rate, which will be reset quarterly with interest payable quarterly in arrears, beginning May 21, 2014 The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR plus 1 222% and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372% The indenture that governs the Verizon Notes contains certain negative covenants including a negative pledge covenant and a merger or similar transaction covenant affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series Beginning two years

after the

closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017. The Verizon Notes held by third parties will not be redeemable. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration paid to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock issued by one of the Purchased Entities. Both the Class D (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares will be classified as liability instruments and will be recorded at fair value as determined at the closing of the Wireless Transaction.

Spectrum License Transactions

Since 2012, we have entered into several strategic spectrum transactions including:

- During the third quarter of 2012, after receiving the required regulatory approvals, Verizon Wireless completed the following previously announced transactions in which we acquired wireless spectrum that will be used to deploy additional 4G LTE capacity:
  - Verizon Wireless acquired AWS spectrum in separate transactions with SpectrumCo and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. Verizon Wireless has also recorded a liability of $0.4 billion related to a three-year service obligation to SpectrumCo's members pursuant to commercial agreements executed concurrently with the SpectrumCo transaction.
  - Verizon Wireless completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA. As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and PCS licenses at fair value and net cash proceeds of $0.2 billion, transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless, and recorded an immaterial gain.
- During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain Advanced Wireless Services (AWS) licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value and recorded an immaterial gain.
- During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.
- During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the FCC and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these agreements, $0.9 billion of Wireless licenses are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013. Upon completion of the transaction, we expect to record an immaterial gain.
- **Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.**

Other

During 2013, we acquired various other wireless licenses and markets for cash consideration that was not significant. Additionally, we obtained control of previously unconsolidated wireless partnerships which were previously accounted for under the equity method and are now consolidated, which resulted in an immaterial gain. We recorded $0.2 billion of goodwill as a result of these transactions.

Wireline

HUGHES Telematics, Inc.

During July 2012, we acquired HUGHES Telematics for approximately $12 per share in cash for a total acquisition price of $0.6 billion. As a result of the transaction, HUGHES Telematics became a wholly-owned subsidiary of Verizon. The consolidated financial statements include the results of HUGHES Telematics' operations from the date the acquisition closed. Upon closing, we recorded approximately $0.6 billion of goodwill, $0.1 billion of other intangibles, and assumed the debt obligations of HUGHES Telematics, which were approximately $0.1 billion as of the date of acquisition, and which were repaid by Verizon. Had this acquisition been completed on January 1, 2012 or 2011, the results of the acquired operations of HUGHES Telematics would not have had a significant impact on the consolidated net income attributable to Verizon. The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers.

The acquisition of HUGHES Telematics was accounted for as a business combination under the acquisition method. The cost of the acquisition was allocated to the assets and liabilities acquired based on their fair values as of the close of the acquisition, with the excess amount being recorded as goodwill.

Terremark Worldwide, Inc.

During April 2011, we acquired Terremark for $19 per share in cash. Closing and other direct acquisition-related costs totaled approximately $15 million after-tax. The acquisition was completed via a tender offer followed by a "short-form" merger under Delaware law through which Terremark became a wholly owned subsidiary of Verizon. The acquisition enhanced Verizon's offerings to business and government customers globally.

Other

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Upon closing, we recorded $0.3 billion of goodwill. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. The consolidated financial statements include the results of the operations of each of these acquisitions from the date each acquisition closed.

On January 21, 2014, Verizon announced an agreement to acquire a business dedicated to the development of cloud television products and services for cash consideration that was not significant. The transaction, which was completed in February 2014, is expected to accelerate the availability of next-generation video services.

Regulatory and Competitive Trends

Regulatory and Competitive Landscape

Verizon operates in a regulated and highly competitive market. Current and potential competitors include other voice and data services providers such as other wireless companies, traditional telephone companies, cable companies, Internet service providers, software and application providers, and other non-traditional companies. Many of these companies have a strong market presence, brand recognition, and existing customer relationships, all of which contribute to intensifying competition and may affect our future revenue growth. Some of our competitors also are subject to fewer regulatory constraints than Verizon. For many services offered by Verizon, the FCC is our primary regulator. The FCC has jurisdiction over interstate telecommunications services and other matters under the Communications Act of 1934, as amended (Communications Act or Act). Other Verizon services are subject to state and local regulation.

FCC Regulation

Broadband

Verizon offers many different broadband and Internet access services. The FCC has adopted a series of orders that impose lesser regulatory requirements on broadband services than apply to older voice and slower data services. For example, certain facility unbundling requirements that apply to narrowband facilities of traditional telephone companies do not apply to broadband facilities. In addition, the FCC concluded that both wireline and wireless broadband Internet access services qualify as largely deregulated information services. Our broadband Internet access services are subject to various attempts to impose so-called "network neutrality" rules, some of which were affirmed and others vacated on appeal in early 2014. Verizon has been and remains committed to the open Internet which provides consumers with competitive choices and unblocked access to lawful websites and content when, where and how they want. This will not change in light of the court's decision. Our commitment applies to broadband Internet access services provided over both our wireline and wireless networks and can be found on our website at http://responsibility.verizon.com/broadband-commitment.

Video

Verizon offers a multi-channel video service that is regulated like traditional cable service. The FCC has a body of rules that apply to cable operators, and these rules also generally apply to Verizon. In addition, the Act generally requires companies to obtain a local cable franchise, and the FCC has adopted rules that interpret and implement this requirement. In areas where Verizon offers its facilities-based multichannel video services, Verizon has typically been required to obtain a franchise from local authorities.

Wireline Voice

Verizon offers many different wireline voice services, including traditional telephone service and other services that rely on newer technologies such as VoIP. For regulatory purposes, legacy telephone services are generally considered to be "common carrier" services. Common carrier services are subject to heightened regulatory oversight with respect to rates, terms and conditions, and other aspects of the services. The FCC has not decided the regulatory classification of VoIP, but has said VoIP service providers must comply with certain rules, such as 911 capabilities and law enforcement assistance requirements.

Wireless Services

The FCC regulates several aspects of Verizon Wireless' operations. Generally, the FCC has jurisdiction over the construction, operation, acquisition, and transfer of wireless communications systems. And all wireless services require use of radio frequency spectrum, the assignment and distribution of which is subject to FCC oversight. Verizon Wireless anticipates that it will need additional spectrum to meet future demand. It can meet spectrum needs by purchasing licenses or leasing spectrum from others, or by participating in a competitive bidding process for new spectrum from the FCC. Both processes are subject to certain reviews, approvals, and potential conditions.

Today, Verizon Wireless holds FCC spectrum licenses that allow it to provide a wide range of mobile and fixed communications services including both voice and data services. FCC spectrum licenses typically have a term of 10 years, at which time they are subject to renewal. While the FCC has routinely renewed all of Verizon Wireless' licenses, challenges could be raised in the future. If a wireless license were revoked or not renewed, Verizon Wireless would not be permitted to provide services on the spectrum. Some of our licenses require us to comply with so-called "open access" FCC regulations which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice, subject to certain technical limitations. The FCC has also imposed certain specific mandates on wireless carriers including construction and geographic coverage requirements, technical operating standards, provision of enhanced 911 services, roaming obligations, and requirements for wireless tower and antenna facilities.

The Communications Act imposes restrictions on foreign ownership of U.S. wireless systems. The FCC has approved the foreign ownership in Verizon that has resulted from the Wireless Transaction. In addition, Verizon Wireless, Verizon and Vodafone entered into an agreement with the federal government that imposes national security and law enforcement-related obligations on the ways in which Verizon Wireless stores information and otherwise conducts its business.

Intercarrier Compensation and Network Access

The FCC regulates some of the rates that carriers pay each other for the exchange voice traffic (particularly traditional wireline traffic) over different networks and other aspects of interconnection for some voice services. In many instances, Verizon makes payments to other providers and in turn Verizon receives some payments from other carriers. In 2011, the FCC issued a broad reform order changing, among other things, the framework for many of the per-minute rates that carriers charge each other for the exchange of voice traffic. The new rules gradually reduce many of these rates to zero. This order is subject to pending reconsideration petitions and appeals. The FCC also regulates some of the rates and terms and conditions for certain wireline "special access" and other services and network facilities. Verizon is both a seller and a buyer of these services. For example, on the wireline side Verizon sells wholesale circuits to other voice and data service providers. On the wireless side, Verizon purchases special access and other services to transport traffic to and from cell towers. In addition, as required by the Act, Verizon unbundles certain wireline network elements and makes these facilities and services available to other network providers.

Universal Service

The Communications Act charges the FCC with ensuring that certain groups and areas have access to communications services, including rural and other high-cost areas, low income subscribers, schools and libraries, rural health-care organizations, and deaf and hard-of-hearing individuals. The FCC established different subsidy and discount programs to achieve these goals. To pay for these programs, the FCC requires contributions from providers such as Verizon based on reported revenues for certain services. Verizon also receives some payments from some of these programs but is a net payer into them.

State Regulation and Local Regulation

Wireline Services

State public utility commissions regulate Verizon's telephone operations with respect to certain telecommunications intrastate matters. Verizon operates as an "incumbent local exchange carrier" in 14 states. These incumbent operations are subject to various levels of pricing flexibility and other state oversight and requirements. Verizon also has other wireline operations that are more lightly regulated. In addition, as a video services operator in many states, Verizon has been required to obtain a cable franchise from local government entities, or in some cases a state-wide franchise, and to comply with certain one-time and ongoing obligations as a result.

Wireless Services

The Communications Act generally preempts regulation by state and local governments of the entry of, or the rates charged by, wireless carriers. The Act does not prohibit states from regulating the other "terms and conditions" of wireless service. For example, some states attempt to regulate wireless customer billing matters and impose reporting requirements. Several states also have laws or regulations that address safety issues (e.g., use of wireless handsets while driving) and taxation matters. In addition, wireless tower and antenna facilities are often subject to state and local zoning and land use regulation, and securing approvals for new or modified facilities is often a lengthy and expensive process.

Environmental Matters

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s. Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted. A reassessment of costs related to remediation efforts at several other former facilities was also undertaken. In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program. This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon. To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made. Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation.

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all;
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability, of further financing;
- significantly increased levels of indebtedness as a result of the Wireless Transaction;
- changes in tax laws or treaties, or in their interpretation;
- adverse conditions in the U.S. and international economies;
- material adverse changes in labor matters, including labor negotiations and any resulting financial and/or operational impact;
- material changes in technology or technology substitution;
- disruption of our key suppliers' provisioning of products or services;
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks;
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance;
- the effects of competition in the markets in which we operate;
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings;
- significant increases in benefit plan costs or lower investment returns on plan assets; and
- the inability to implement our business strategies.

We, the management of Verizon Communications Inc., are responsible for establishing and maintaining adequate internal control over financial reporting of the company. Management has evaluated internal control over financial reporting of the company using the criteria for effective internal control established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992.

Management has assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2013. Based on this assessment, we believe that the internal control over financial reporting of the company is effective as of December 31, 2013. In connection with this assessment, there were no material weaknesses in the company's internal control over financial reporting identified by management.

The company's financial statements included in this Annual Report have been audited by Ernst & Young LLP, independent registered public accounting firm. Ernst & Young LLP has also provided an attestation report on the company's internal control over financial reporting.

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President and Chief Financial Officer

/s/ Anthony T. Skiadas
Anthony T. Skiadas
Senior Vice President and Controller

[illegible]

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited Verizon Communications Inc. and subsidiaries' (Verizon) internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992 (1992 framework) (the COSO criteria). Verizon's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Verizon maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Verizon as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013 of Verizon and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York

February 27, 2014

[illegible]

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited the accompanying consolidated balance sheets of Verizon Communications Inc. and subsidiaries (Verizon) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of Verizon's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Verizon at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Verizon's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York

February 27, 2014

Years Ended December 31,	(dollars in millions except per share amounts) 2013	2012	2011
Operating Revenues	$ 120,550	$ 115,846	$ 110,875
Operating Expenses			
Cost of services and sales (exclusive of items shown below)	44,887	46,275	45,875
Selling, general and administrative expense	27,089	39,951	35,624
Depreciation and amortization expense	16,606	16,460	16,496
Total Operating Expenses	88,582	102,686	97,995
Operating Income	11,968	13,160	12,880
Equity in earnings of unconsolidated businesses	142	324	444
Other income and (expense), net	(166)	(1,010)	(14)
Interest expense	(2,667)	(2,571)	(2,827)
Income Before (Provision) Benefit For Income Taxes	29,277	9,897	10,483
(Provision) Benefit for income taxes	(5,730)	660	(285)
Net Income	$ 23,547	$ 10,557	$ 10,198
Net income attributable to noncontrolling interests	$ 12,050	$ 9,682	$ 7,794
Net income attributable to Verizon	11,497	875	2,404
Net Income	$ 23,547	$ 10,557	$ 10,198
Basic Earnings Per Common Share			
Net income attributable to Verizon	$ 4.01	$ .31	$ .85
Weighted-average shares outstanding (in millions)	2,866	2,853	2,833
Diluted Earnings Per Common Share			
Net income attributable to Verizon	$ 4.00	$ .31	$ .85
Weighted-average shares outstanding (in millions)	2,874	2,862	2,839

See Notes to Consolidated Financial Statements

Years Ended December 31,	(dollars in millions) 2013	2012	2011
Net Income	$ 23,547	$ 10,557	$ 10,198
Other Comprehensive Income, net of taxes			
Foreign currency translation adjustments	60	69	(119)
Unrealized gain (loss) on cash flow hedges	25	(68)	30
Unrealized gain (loss) on marketable securities	16	29	(7)
Defined benefit pension and postretirement plans	22	936	316
Other comprehensive income attributable to Verizon	123	966	220
Other comprehensive income (loss) attributable to noncontrolling interests	(15)	10	1
Total Comprehensive Income	$ 23,655	$ 11,533	$ 10,419
Comprehensive income attributable to noncontrolling interests	12,035	9,692	7,795
Comprehensive income attributable to Verizon	11,620	1,841	2,624
Total Comprehensive Income	$ 23,655	$ 11,533	$ 10,419

See Notes to Consolidated Financial Statements

At December 31,	(dollars in millions, except per share amounts) 2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 53,528	$ 3,093
Short-term investments	601	470
Accounts receivable, net of allowances of $645 and $641	12,439	12,576
Inventories	1,020	1,075
Prepaid expenses and other	3,406	4,021
Total current assets	70,994	21,235
Plant, property and equipment	220,865	209,575
Less accumulated depreciation	131,909	120,933
	88,956	88,642
Investments in unconsolidated businesses	3,432	3,401
Wireless licenses	75,747	77,744
Goodwill	24,634	24,139
Other intangible assets, net	5,800	5,933
Other assets	4,535	4,128
Total assets	$ 274,098	$ 225,222
Liabilities and Equity		
Current liabilities		
Debt maturing within one year	$ 3,933	$ 4,369
Accounts payable and accrued liabilities	16,453	16,182
Other	6,664	6,405
Total current liabilities	27,050	26,956
Long-term debt	89,658	47,618
Employee benefit obligations	27,682	34,346
Deferred income taxes	28,639	24,677
Other liabilities	5,653	6,092
Equity		
Series preferred stock ($.10 par value; no shares issued)	–	–
Common stock ($.10 par value; 2,967,610,119 shares issued in both periods)	297	297
Contributed capital	37,939	37,990
Reinvested earnings (Accumulated deficit)	1,782	(3,734)
Accumulated other comprehensive income	2,358	2,235
Common stock in treasury, at cost	(3,961)	(4,071)
Deferred compensation - employee stock ownership plans and other	421	440
Noncontrolling interests	56,580	52,376
Total equity	95,416	85,533
Total liabilities and equity	$ 274,098	$ 225,222

See Notes to Consolidated Financial Statements

Years Ended December 31,	(dollars in millions) 2013	2012	2011
Cash Flows from Operating Activities			
Net Income	$ 23,547	$ 10,557	$ 10,198
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization expense	16,606	16,460	16,496
Employee retirement benefits	(5,052)	8,198	7,426
Deferred income taxes	5,785	(952)	(223)
Provision for uncollectible accounts	993	972	1,026
Equity in earnings of unconsolidated businesses, net of dividends received	(102)	77	36
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses			
Accounts receivable	(843)	(1,717)	(966)
Inventories	56	(136)	208
Other assets	(143)	306	86
Accounts payable and accrued liabilities	925	1,144	(1,607)
Other, net	(2,954)	(3,125)	(2,900)
Net cash provided by operating activities	38,818	31,486	29,780
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(16,604)	(16,175)	(16,244)
Acquisitions of investments and businesses, net of cash acquired	(494)	(913)	(1,797)
Acquisitions of wireless licenses	(580)	(4,298)	(221)
Proceeds from dispositions of wireless licenses	2,111	363	–
Net change in short-term investments	61	27	35
Other, net	671	494	977
Net cash used in investing activities	(14,833)	(20,502)	(17,250)
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	49,166	3,489	11,860
Repayments of long-term borrowings and capital lease obligations	(8,163)	(6,403)	(11,805)
Decrease in short-term obligations, excluding current maturities	(142)	(1,437)	1,928
Dividends paid	(5,936)	(5,230)	(5,553)
Proceeds from sale of common stock	85	315	241
Purchase of common stock for treasury	(153)	–	–
Special distribution to noncontrolling interest	(3,150)	(8,425)	–
Other, net	(5,257)	(4,662)	(1,705)
Net cash provided by (used in) financing activities	26,450	(22,353)	(5,836)
Increase (decrease) in cash and cash equivalents	50,435	(10,369)	6,694
Cash and cash equivalents, beginning of period	3,093	13,462	6,768
Cash and cash equivalents, end of period	$ 53,528	$ 3,093	$ 13,462

See Notes to Consolidated Financial Statements

(dollars in millions except per share amounts, and shares in thousands)

Years Ended December 31,	2013		2012		2011	
	Shares	Amount	Shares	Amount	Shares	Amount
Common Stock						
Balance at beginning of year	2,967,610	$ 297	2,967,610	$ 297	2,967,610	$ 297
Balance at end of year	2,967,610	297	2,967,610	297	2,967,610	297
Contributed Capital						
Balance at beginning of year		37,990		37,919		37,922
Other		(51)		71		(3)
Balance at end of year		37,939		37,990		37,919
Reinvested Earnings (Accumulated Deficit)						
Balance at beginning of year		(3,734)		1,179		4,368
Net income attributable to Verizon		11,497		875		2,404
Dividends declared ($2.09, $2.03, $1.975) per share		(5,981)		(5,788)		(5,593)
Balance at end of year		1,782		(3,734)		1,179
Accumulated Other Comprehensive Income						
Balance at beginning of year attributable to Verizon		2,235		1,269		1,049
Foreign currency translation adjustments		60		69		(119)
Unrealized gains (losses) on cash flow hedges		25		(68)		30
Unrealized gains (losses) on marketable securities		16		29		(7)
Defined benefit pension and postretirement plans		22		936		316
Other comprehensive income		123		966		220
Balance at end of year attributable to Verizon		2,358		2,235		1,269
Treasury Stock						
Balance at beginning of year	(109,041)	(4,071)	(133,594)	(5,002)	(140,587)	(5,267)
Shares purchased	(3,500)	(153)	–	–	–	–
Employee plans (Note 15)	6,835	260	11,434	433	6,982	265
Shareowner plans (Note 15)	96	3	13,119	498	11	–
Balance at end of year	(105,610)	(3,961)	(109,041)	(4,071)	(133,594)	(5,002)
Deferred Compensation-ESOPs and Other						
Balance at beginning of year		440		308		200
Restricted stock equity grant		152		196		146
Amortization		(171)		(64)		(38)
Balance at end of year		421		440		308
Noncontrolling Interests						
Balance at beginning of year		52,376		49,938		48,343
Net income attributable to noncontrolling interests		12,850		9,682		7,794
Other comprehensive income (loss)		(15)		10		1
Total comprehensive income		12,835		9,692		7,795
Distributions and other		(7,831)		(7,254)		(6,200)
Balance at end of year		56,580		52,376		49,938
Total Equity		$95,416		$ 85,533		$ 85,908

See Notes to Consolidated Financial Statements

Description of Business and Summary of Significant Accounting Policies

Description of Business

Verizon Communications Inc. (Verizon or the Company) is a holding company, which acting through its subsidiaries is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. We have two reportable segments, Wireless and Wireline. For further information concerning our business segments, see Note 13.

The Wireless segment provides wireless communications services across one of the most extensive wireless networks in the United States (U.S.) and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and third-generation (3G) networks of any U.S. wireless service provider.

The Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

Consolidation

The method of accounting applied to investments, whether consolidated, equity or cost, involves an evaluation of all significant terms of the investments that explicitly grant or suggest evidence of control or influence over the operations of the investee. The consolidated financial statements include our controlled subsidiaries. For controlled subsidiaries that are not wholly-owned, the noncontrolling interests are included in Net income and Total equity. Investments in businesses which we do not control, but have the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. Investments in which we do not have the ability to exercise significant influence over operating and financial policies are accounted for under the cost method. Equity and cost method investments are included in Investments in unconsolidated businesses in our consolidated balance sheets. Certain of our cost method investments are classified as available-for-sale securities and adjusted to fair value pursuant to the accounting standard related to debt and equity securities. All significant intercompany accounts and transactions have been eliminated.

Basis of Presentation

We have reclassified certain prior year amounts to conform to the current year presentation.

Use of Estimates

We prepare our financial statements using U.S. generally accepted accounting principles (GAAP), which require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Examples of significant estimates include the allowance for doubtful accounts, the recoverability of plant, property and equipment, the recoverability of intangible assets and other long-lived assets, unbilled revenues, fair values of financial instruments, unrecognized tax benefits, valuation allowances on tax assets, accrued expenses, pension and postretirement benefit assumptions, contingencies and allocation of purchase prices in connection with business combinations.

Revenue Recognition

Multiple Deliverable Arrangements

In both our Wireless and Wireline segments, we offer products and services to our customers through bundled arrangements. These arrangements involve multiple deliverables which may include products, services, or a combination of products and services.

Wireless

Our Wireless segment earns revenue primarily by providing access to and usage of its network. In general, access revenue is billed one month in advance and recognized when earned. Usage revenue is generally billed in arrears and recognized when service is rendered. Equipment sales revenue associated with the sale of wireless handsets and accessories is recognized when the products are delivered to and accepted by the customer, as this is considered to be a separate earnings process from providing wireless services. For agreements involving the resale of third-party services in which we are considered the primary obligor in the arrangements, we record the revenue gross at the time of the sale. For equipment sales, we generally subsidize the cost of wireless devices. The amount of this subsidy is generally contingent on the arrangement and terms selected by the customer. In multiple deliverable arrangements which involve the sale of equipment and a service contract, the equipment revenue is recognized up to the amount collected when the wireless device is sold.

Wireline

Our Wireline segment earns revenue based upon usage of its network and facilities and contract fees. In general, fixed monthly fees for voice, video, data and certain other services are billed one month in advance and recognized when earned. Revenue from services that are not fixed in amount and are based on usage is generally billed in arrears and recognized when service is rendered.

We sell each of the services offered in bundled arrangements (i.e., voice, video and data) as well as separately, therefore each product or service has a standalone selling price. For these arrangements, revenue is allocated to each deliverable using a relative selling price method. Under this method, arrangement consideration is allocated to each separate deliverable based on our standalone selling price for each product or service. These services include FiOS services, individually or in bundles, and High Speed Internet.

When we bundle equipment with maintenance and monitoring services, we recognize equipment revenue when the equipment is installed in accordance with contractual specifications and ready for the customer's use. The maintenance and monitoring services are recognized monthly over the term of the contract as we provide the services.

Installation related fees along with the associated costs up to but not exceeding those fees, are deferred and amortized over the estimated customer relationship period.

For each of our segments we report taxes imposed by governmental authorities on revenue-producing transactions between us and our customers on a net basis.

Maintenance and Repairs

We charge the cost of maintenance and repairs, including the cost of replacing minor items not constituting substantial betterments, principally to Cost of services and sales as these costs are incurred.

Advertising Costs

Costs for advertising products and services as well as other promotional and sponsorship costs are charged to Selling, general and administrative expense in the periods in which they are incurred (see Note 15).

Earnings Per Common Share

Basic earnings per common share are based on the weighted-average number of shares outstanding during the period. Where appropriate, diluted earnings per common share include the dilutive effect of shares issuable under our stock-based compensation plans.

There were a total of approximately 8 million, 9 million and 6 million stock options and restricted stock units outstanding included in the computation of diluted earnings per common share for the years ended December 31, 2013, 2012 and 2011, respectively. Our outstanding options to purchase shares that were not included in the computation of diluted earnings per common share because to do so would have been anti-dilutive for the period were not significant for the years ended December 31, 2013 and 2012, respectively, and included approximately 19 million weighted-average shares for the years ended December 31, 2011.

As of December 31, 2013, we were authorized to issue up to 4.25 billion and 250 million shares of common stock and Series Preferred Stock, respectively. On January 28, 2014, at a special meeting of our shareholders, we received shareholder approval to increase our authorized shares of common stock by 2 billion shares to an aggregate of 6.25 billion authorized shares of common stock. On February 4, 2014, this authorization became effective.

Cash and Cash Equivalents

We consider all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates quoted market value and include amounts held in money market funds.

Marketable Securities

We have investments in marketable securities which are considered "available-for-sale" under the provisions of the accounting standard for certain debt and equity securities, and are included in the accompanying consolidated balance sheets in Short-term investments, Investments in unconsolidated businesses or Other assets. We continually evaluate our investments in marketable securities for impairment due to declines in market value considered to be other-than-temporary. That evaluation includes, in addition to persistent, declining stock prices, general economic and company-specific evaluations. In the event of a determination that a decline in market value is other-than-temporary, a charge to earnings is recorded for the loss and a new cost basis in the investment is established.

Inventories

Inventory, consists of wireless and wireline equipment held for sale, which is carried at the lower of cost (determined principally on either an average cost or first-in, first-out basis) or market.

Plant and Depreciation

We record plant, property and equipment at cost. Plant, property and equipment of wireline and wireless operations are generally depreciated on a straight-line basis.

Leasehold improvements are amortized over the shorter of the estimated life of the improvement or the remaining term of the related lease, calculated from the time the asset was placed in service.

When the depreciable assets of our wireline and wireless operations are retired or otherwise disposed of, the related cost and accumulated depreciation are deducted from the plant accounts, and any gains or losses on disposition are recognized in income.

We capitalize and depreciate network software purchased or developed along with related plant assets. We also capitalize interest associated with the acquisition or construction of network-related assets. Capitalized interest is reported as a reduction in interest expense and depreciated as part of the cost of the network-related assets.

In connection with our ongoing review of the estimated remaining average useful lives of plant, property and equipment at our local telephone operations, we determined that there were no changes necessary for average useful lives for 2013, 2012 and 2011. In connection with our ongoing review of the estimated remaining average useful lives of plant, property and equipment at our wireless operations, we determined that changes were necessary to the remaining estimated useful lives as a result of technology upgrades, enhancements, and planned retirements. These changes resulted in an increase in depreciation expense of $0.4 billion in 2011. While the timing and extent of current deployment plans are subject to ongoing analysis and modification, we believe the current estimates of useful lives are reasonable.

Computer Software Costs

We capitalize the cost of internal-use network and non-network software that has a useful life in excess of one year. Subsequent additions, modifications or upgrades to internal-use network and non-network software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Planning, software maintenance and training costs are expensed in the period in which they are incurred. Also, we capitalize interest associated with the development of internal-use network and non-network software. Capitalized non-network internal-use software costs are amortized using the straight-line method over a period of 3 to 7 years and are included in Other intangible assets, net in our consolidated balance sheets. For a discussion of our impairment policy for capitalized software costs, see "Goodwill and Other Intangible Assets" below. Also, see Note 3 for additional detail of internal-use non-network software reflected in our consolidated balance sheets.

Goodwill and Other Intangible Assets

Goodwill

Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. Impairment testing for goodwill is performed annually in the fourth fiscal quarter or more frequently if impairment indicators are present. The Company has the option to perform a qualitative assessment to determine if the fair value of the entity is less than its carrying value. However, the Company may elect to perform an impairment test even if no indications of a potential impairment exist. The impairment test for goodwill uses a two-step approach, which is performed at the reporting unit level. We have determined that in our case, the reporting units are our operating segments since that is the lowest level at which discrete, reliable financial and cash flow information is available. Step one compares the fair value of the reporting unit (calculated using a market approach and/or a discounted cash flow method) to its carrying value. If the carrying value exceeds the fair value, there is a potential impairment and step two must be performed. Step two compares the carrying value of the reporting unit's goodwill to its implied fair value (i.e., fair value of reporting unit less the fair value of the unit's assets and liabilities, including identifiable intangible assets). If the implied fair value of goodwill is less than the carrying amount of goodwill, an impairment is recognized.

Intangible Assets Not Subject to Amortization

A significant portion of our intangible assets are wireless licenses that provide our wireless operations with the exclusive right to utilize designated radio frequency spectrum to provide wireless communication services. While licenses are issued for only a fixed time, generally ten years, such licenses are subject to renewal by the Federal Communications Commission (FCC). License renewals have occurred routinely and at nominal cost. Moreover, we have determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses. As a result, we treat the wireless licenses as an indefinite-lived intangible asset. We reevaluate the useful life determination for wireless licenses each year to determine whether events and circumstances continue to support an indefinite useful life.

We test our wireless licenses for potential impairment annually. In 2013, we performed a qualitative assessment to determine whether it is more likely than not that the fair value of our wireless licenses was less than the carrying amount. As part of our assessment, we considered several qualitative factors including the business enterprise value of Wireless, macroeconomic conditions (including changes in interest rates and discount rates), industry and market considerations (including industry revenue and EBITDA (Earnings before interest, taxes, depreciation and amortization) margin projections), the projected financial performance of Wireless, as well as other factors. In 2012 and 2011, our quantitative assessment consisted of comparing the estimated fair value of our wireless licenses to the aggregated carrying amount as of the test date. Using the quantitative assessment, we evaluated our licenses on an aggregate basis using a direct value approach. The direct value approach estimates fair value using a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date. If the fair value of the aggregated wireless licenses is less than the aggregated carrying amount of the licenses, an impairment is recognized.

Interest expense incurred while qualifying activities are performed to ready wireless licenses for their intended use is capitalized as part of wireless licenses. The capitalization period ends when the development is discontinued or substantially complete and the license is ready for its intended use.

Intangible Assets Subject to Amortization and Long-Lived Assets

Our intangible assets that do not have indefinite lives (primarily customer lists and non-network internal-use software) are amortized over their estimated useful lives. All of our intangible assets subject to amortization and long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any indications were present, we would test for recoverability by comparing the carrying amount of the asset group to the net undiscounted cash flows expected to be generated from the asset group. If these net undiscounted cash flows do not exceed the carrying amount, we would perform the next step, which is to determine the fair value of the asset and record an impairment, if any. We reevaluate the useful life determinations for these intangible assets each year to determine whether events and circumstances warrant a revision in their remaining useful lives.

For information related to the carrying amount of goodwill by segment, wireless licenses and other intangible assets, as well as the major components and average useful lives of our other acquired intangible assets, see Note 3.

Fair Value Measurements

Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.
Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities.
Level 3—No observable pricing inputs in the market.

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Income Taxes

Our effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations and tax planning strategies available to us in the various jurisdictions in which we operate.

Deferred income taxes are provided for temporary differences in the bases between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at tax rates then in effect. We record valuation allowances to reduce our deferred tax assets to the amount that is more likely than not to be realized.

We use a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return The first step is recognition we determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information The second step is measurement a tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in one or more of the following an increase in a liability for income taxes payable, a reduction of an income tax refund receivable, a reduction in a deferred tax asset, or an increase in a deferred tax liability

The accounting standard relating to income taxes generated by leveraged lease transactions requires that changes in the projected timing of income tax cash flows generated by a leveraged lease transaction be recognized as a gain or loss in the year in which the change occurs

Significant management judgement is required in evaluating our tax positions and in determining our effective tax rate

Stock-Based Compensation

We measure and recognize compensation expense for all stock-based compensation awards made to employees and directors based on estimated fair values See Note 10 for further details

Foreign Currency Translation

The functional currency of our foreign operations is generally the local currency For these foreign entities, we translate income statement amounts at average exchange rates for the period, and we translate assets and liabilities at end-of-period exchange rates We record these translation adjustments in Accumulated other comprehensive income a separate component of Equity in our consolidated balance sheets We report exchange gains and losses on intercompany foreign currency transactions of a long-term nature in Accumulated other comprehensive income Other exchange gains and losses are reported in income

Employee Benefit Plans

Pension and postretirement health care and life insurance benefits earned during the year as well as interest on projected benefit obligations are accrued currently Prior service costs and credits resulting from changes in plan benefits are generally amortized over the average remaining service period of the employees expected to receive benefits Expected return on plan assets is determined by applying the return on assets assumption to the actual fair value of plan assets Actuarial gains and losses are recognized in operating results in the year in which they occur These gains and losses are measured annually as of December 31 or upon a remeasurement event Verizon management employees no longer earn pension benefits or earn service towards the company retiree medical subsidy (see Note 11)

We recognize a pension or a postretirement plan's funded status as either an asset or liability on the consolidated balance sheets Also, we measure any unrecognized prior service costs and credits that arise during the period as a component of Accumulated other comprehensive income, net of applicable income tax

Derivative Instruments

We have entered into derivative transactions primarily to manage our exposure to fluctuations in foreign currency exchange rates, interest rates equity and commodity prices We employ risk management strategies which may include the use of a variety of derivatives including cross currency swaps foreign currency and prepaid forwards and collars interest rate and commodity swap agreements and interest rate locks We do not hold derivatives for trading purposes

We measure all derivatives, including derivatives embedded in other financial instruments at fair value and recognize them as either assets or liabilities on our consolidated balance sheets Our derivative instruments are valued primarily using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified as Level 2 Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item Changes in the fair value of the effective portions of cash flow hedges are reported in Other comprehensive income and recognized in earnings when the hedged item is recognized in earnings

Recently Adopted Accounting Standards

During the first quarter of 2013, we adopted the accounting standard update regarding testing of intangible assets for impairment This standard update allows companies the option to perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not the asset is impaired The adoption of this standard update did not have an impact on our consolidated financial statements

During the first quarter of 2013, we adopted the accounting standard update regarding reclassifications out of Accumulated other comprehensive income This standard update requires companies to report the effect of significant reclassifications out of Accumulated other comprehensive income on the respective line items in our consolidated statements of income if the amount being reclassified is required to be reclassified in its entirety to net income For other amounts that are not required to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference to other required disclosures that provide additional detail about those amounts See Note 14 for additional details

During the third quarter of 2013, we adopted the accounting standard update regarding the ability to use the Federal Funds Effective Swap Rate as a U.S. benchmark interest rate for hedge accounting purposes Previously the interest rates on direct Treasury obligations of the U.S. government and the London Interbank Offered Rate (LIBOR) were considered to be the only benchmark interest rates The adoption of this standard update did not have a significant impact on our consolidated financial statements

Recent Accounting Standards

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists was issued The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. We will adopt this standard update during the first quarter of 2014 We are currently evaluating the consolidated balance sheet impact related to this standard update

Acquisitions and Divestitures

Wireless

Wireless Transaction

On September 2 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership and such interest the Vodafone Interest) for aggregate consideration of approximately $130 billion

On February 21 2014 pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc a subsidiary of Seller (VF1 Inc) which indirectly through certain subsidiaries (together with VF1 Inc the Purchased Entities) owned the Vodafone Interest In consideration for the Transferred Shares upon completion of the Wireless Transaction, Verizon (i) paid approximately $58 89 billion in cash (ii) issued approximately 160 15 billion of Verizon's common stock par value $0 10 per share (the Stock Consideration), (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5 0 billion (the Verizon Notes) (iv) sold Verizon's indirectly owned 23 1% interest in Vodafone Omnitel N V (Omnitel, and such interest the Omnitel Interest) valued at $3 5 billion and (v) provided other consideration of approximately $2 5 billion As a result of the Wireless Transaction Verizon issued approximately 1 27 billion shares The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing legal and bank fees were financed through the incurrence of third-party indebtedness See Note 8 for additional information

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted As a result we will account for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in Verizon Wireless Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted will be recognized in equity attributable to Verizon

Omnitel Transaction

On February 21 2014, Verizon and Vodafone also implemented the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction, pursuant to a separate share purchase agreement We will recognize a gain on the disposal of the Omnitel interest in the first quarter of 2014

Verizon Notes

The Verizon Notes were issued pursuant to Verizon's existing indenture The Verizon Notes were issued in two separate series with $2 5 billion due February 21 2022 and $2 5 billion due February 21 2025 The Verizon Notes bear interest at a floating rate which will be reset quarterly with interest payable quarterly in arrears beginning May 21, 2014 The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR plus 1 222% and the eleven-year Verizon notes bear interest at a floating rate equal to three month LIBOR, plus 1 372% The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series Beginning two years after the closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017 The Verizon Notes held by third parties will not be redeemable Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable

Other Consideration

Included in the other consideration paid to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares will be classified as liability instruments and will be recorded at fair value as determined at the closing of the Wireless Transaction.

Pro Forma Information

The unaudited pro forma information presents the combined operating results of Verizon and the Vodafone Interest, with the results prior to the Wireless Transaction closing date adjusted to include the pro forma impact of: the elimination of the historical equity in earnings, net of tax, related to the investment in Omnitel; an adjustment to reflect interest expense associated with the additional indebtedness incurred and expected to be incurred in connection with the Wireless Transaction and outstanding as of the closing of the Wireless Transaction; an adjustment for the dividends on the Preferred Stock; an adjustment for the amortization of certain debt incurrence costs based on the contractual life of the underlying indebtedness; an adjustment to reflect changes in the provision for income taxes associated with the additional income attributable to Verizon and the benefit associated with the additional interest expense; the elimination of the historical net income attributable to noncontrolling interests representing the noncontrolling interest in Verizon Wireless; and an adjustment to reflect the sum of all other adjustments to the pro forma condensed consolidated statements of income on net income attributable to Verizon.

The unaudited pro forma results are presented for illustrative purposes only. These pro forma results do not purport to be indicative of the results that would have actually been obtained if the Wireless Transaction had occurred as of January 1, 2012, nor does the pro forma data intend to be a projection of results that may be obtained in the future.

The following unaudited pro forma consolidated results of operations assume that the Wireless Transaction was completed as of January 1, 2012:

	(dollars in millions)	
Years ended December 31,	2013	2012
Net income attributable to Verizon	$ 17,058	$ 4,449

Spectrum License Transactions

Since 2012, we have entered into several strategic spectrum transactions including:

- **During the third quarter of 2012, after receiving the required regulatory approvals, Verizon Wireless completed the following previously announced transactions in which we acquired wireless spectrum that will be used to deploy additional 4G LTE capacity:**
  - **Verizon Wireless acquired Advanced Wireless Services (AWS) spectrum in separate transactions with SpectrumCo and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. Verizon Wireless has also recorded a liability of $0.4 billion related to a three-year service obligation to SpectrumCo's members pursuant to commercial agreements executed concurrently with the SpectrumCo transaction.**
  - **Verizon Wireless completed license purchase and exchange transactions with Leap Wireless. Savary Island Wireless, which is majority owned by Leap Wireless and a subsidiary of T-Mobile USA Inc. (T-Mobile USA). As a result of these transactions, Verizon Wireless received an aggregate 52 6 billion of AWS and Personal Communication Services (PCS) licenses at fair value and net cash proceeds of $0.2 billion, transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless, and recorded an immaterial gain.**
- **During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value and recorded an immaterial gain.**
- **During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T Inc. (AT&T) in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.**
- **During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the FCC and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these agreements, $0.9 billion of Wireless licenses are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013. Upon completion of the transaction, we expect to record an immaterial gain.**
- **Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC, as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.**

Other

During 2013, we acquired various other wireless licenses and markets for cash consideration that was not significant. Additionally, we obtained control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated, which resulted in an immaterial gain. We recorded $0.2 billion of goodwill as a result of these transactions.

During 2012, we acquired various other wireless licenses and markets for cash consideration that was not significant and recorded $0.2 billion of goodwill as a result of these transactions.

Wireline

HUGHES Telematics, Inc.

During July 2012, we acquired HUGHES Telematics, Inc. (HUGHES Telematics) for approximately $12 per share in cash for a total acquisition price of $0.6 billion. As a result of the transaction, HUGHES Telematics became a wholly-owned subsidiary of Verizon. The consolidated financial statements include the results of HUGHES Telematics' operations from the date the acquisition closed. Upon closing, we recorded approximately $0.6 billion of goodwill, $0.1 billion of other intangibles and assumed the debt obligations of HUGHES Telematics, which were approximately $0.1 billion as of the date of acquisition and which were repaid by Verizon. Had this acquisition been completed on January 1, 2012 or 2011, the results of the acquired operations of HUGHES Telematics would not have had a significant impact on the consolidated net income attributable to Verizon. The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers.

The acquisition of HUGHES Telematics was accounted for as a business combination under the acquisition method. The cost of the acquisition was allocated to the assets and liabilities acquired based on their fair values as of the close of the acquisition, with the excess amount being recorded as goodwill.

Terremark Worldwide, Inc.

During April 2011, we acquired Terremark Worldwide, Inc. (Terremark), a global provider of information technology infrastructure and cloud services, for $19 per share in cash. Closing and other direct acquisition-related costs totaled approximately $13 million after-tax. The acquisition was completed via a tender offer followed by a "short-form" merger under Delaware law through which Terremark became a wholly-owned subsidiary of Verizon. The acquisition enhanced Verizon's offerings to business and government customers globally.

The consolidated financial statements include the results of Terremark's operations from the date the acquisition closed. Had this acquisition been consummated on January 1, 2011, the results of Terremark's acquired operations would not have had a significant impact on the consolidated net income attributable to Verizon. The debt obligations of Terremark that were outstanding at the time of its acquisition by Verizon were repaid during May 2011.

Other

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Upon closing, we recorded $0.3 billion of goodwill. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. The consolidated financial statements include the results of the operations of each of these acquisitions from the date each acquisition closed.

On January 21, 2014 Verizon announced an agreement to acquire a business dedicated to the development of cloud television products and services for cash consideration that was not significant The transaction, which was completed in February 2014 is expected to accelerate the availability of next-generation video services

Note 3
Wireless Licenses, Goodwill and Other Intangible Assets

Wireless Licenses

Changes in the carrying amount of Wireless licenses are as follows

	(dollars in millions)
Balance at January 1, 2012	$ 73,250
Acquisitions (Note 2)	4,544
Capitalized interest on wireless licenses	205
Reclassifications, adjustments and other	(255)
Balance at December 31, 2012	$ 77,744
Acquisitions (Note 2)	579
Dispositions (Note 2)	(2,361)
Capitalized interest on wireless licenses	566
Reclassifications, adjustments and other	(781)
Balance at December 31, 2013	**$ 75,747**

Reclassifications adjustments and other includes $0 9 billion of Wireless licenses that are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31 2013 as well as the exchanges of wireless licenses in 2013 and 2012 See Note 2 for additional details

At December 31 2013 and 2012 approximately $7 7 billion and $7 3 billion, respectively of wireless licenses were under development for commercial service for which we were capitalizing interest costs

The average remaining renewal period of our wireless license portfolio was 5 1 years as of December 31, 2013 See Note 1 for additional details

Goodwill

Changes in the carrying amount of Goodwill are as follows

	(dollars in millions)		
	Wireless	Wireline	Total
Balance at January 1, 2012	$ 17,963	$ 5,394	$ 23,357
Acquisitions (Note 2)	209	551	760
Reclassifications, adjustments and other	–	22	22
Balance at December 31, 2012	$ 18 172	$ 5 967	$ 24,139
Acquisitions (Note 2)	204	291	495
Balance at December 31, 2013	**$ 18,376**	**$ 6,258**	**$ 24,634**

The increase in Goodwill at Wireless at December 31, 2013 was primarily due to obtaining control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated This resulted in an immaterial gain recorded during the year ended December 31, 2013 The increase in Goodwill at Wireline at December 31, 2013 was primarily due to the acquisition of a provider of content delivery networks

Other Intangible Assets

The following table displays the composition of Other intangible assets net

	(dollars in millions)					
	2013			2012		
At December 31,	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer lists (5 to 13 years)	$ 1,639	$ (2,660)	$ 979	$ 3,556	$ (2,338)	$ 1,218
Non-network internal-use software (3 to 7 years)	11,770	(7,317)	4,453	10,415	(6,210)	4,205
Other (2 to 25 years)	691	(323)	368	802	(292)	510
Total	$ 16,100	$ (10,300)	$ 5,800	$ 14 773	$ (8 840)	$ 5,933

The amortization expense for Other intangible assets was as follows

Years	(dollars in millions)
2013	$ 1,587
2012	1,540
2011	1,505

Estimated annual amortization expense for Other intangible assets is as follows

Years	(dollars in millions)
2014	$ 1,486
2015	1,215
2016	971
2017	784
2018	619

Note 4
Plant, Property and Equipment

The following table displays the details of Plant, property and equipment, which is stated at cost

		(dollars in millions)	
At December 31,	Lives (years)	2013	2012
Land	–	$ 819	$ 859
Buildings and equipment	**15-45**	**23,857**	**22,909**
Central office and other network equipment	**3-15**	**121,594**	**113,262**
Cable, poles and conduit	**11-50**	**55,240**	**53,761**
Leasehold improvements	**5-20**	**5,877**	**5,404**
Work in progress	-	4,176	4,126
Furniture, vehicles and other	3-20	9,302	9,254
		220,865	209,575
Less accumulated depreciation		131,909	120,933
Total		**$ 88,956**	**$ 88,642**

Note 5
Investments in Unconsolidated Businesses

Our investments in unconsolidated businesses are comprised of the following

		(dollars in millions)	
At December 31,	Ownership	2013	2012
Equity Investees			
Vodafone Omnitel	23 1%	$ 2,511	$ 2,200
Other	Various	818	1,106
Total equity investees		3,329	3,306
Cost Investees	Various	103	95
Total investments in unconsolidated businesses		$ 3,432	$ 3,401

Dividends and repatriations of foreign earnings received from these investees were not significant in 2013 $0 4 billion in 2012 and $0 5 billion in 2011 See Note 12 regarding undistributed earnings of our foreign subsidiaries

Equity Method Investments

Vodafone Omnitel

Vodafone Omnitel N V (Vodafone Omnitel) is one of the largest wireless communications companies in Italy At December 31, 2013 and 2012 our investment in Vodafone Omnitel included goodwill of $1 1 billion and $1 0 billion respectively As part of the consideration for the Wireless Transaction, a subsidiary of Verizon sold its entire ownership interest in Vodafone Omnitel to a subsidiary of Vodafone on February 21, 2014 See Note 2 for additional information

Other Equity Investees

The remaining investments include wireless partnerships in the U S limited partnership investments in entities that invest in affordable housing projects and other smaller domestic and international investments

Summarized Financial Information

Summarized financial information for our equity investees is as follows

Balance Sheet

	(dollars in millions)	
At December 31	2013	2012
Current assets	$ 3,983	$ 3 626
Noncurrent assets	7,748	8 049
Total assets	$ 11,731	$ 11,675
Current liabilities	$ 4 692	$ 5,526
Noncurrent liabilities	5	5
Equity	7,034	6,144
Total liabilities and equity	$ 11,731	$ 11,675

Income Statement

	(dollars in millions)		
Years Ended December 31,	2013	2012	2011
Net revenues	$ 8,984	$ 10,825	$ 12,068
Operating income	1 632	2 873	4 071
Net income	925	1 679	2,351

Note 6
Noncontrolling Interests

Noncontrolling interests in equity of subsidiaries were as follows

	(dollars in millions)	
At December 31,	2013	2012
Verizon Wireless	$ 55,465	$ 51,492
Wireless partnerships and other	1,115	884
	$ 56,580	$ 52,376

Wireless Joint Venture

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless (Verizon Wireless) Cellco Partnership is a joint venture formed in April 2000 by the combination of the U S wireless operations and interests of Verizon and Vodafone As of December 31, 2013 Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45% On February 21, 2014, Verizon completed the Wireless Transaction and acquired 100% ownership of Verizon Wireless See Note 2 for additional information

Special Distributions

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date in the aggregate amount of $7 0 billion As a result, Vodafone received a cash payment of $3 15 billion and the remainder of the distribution was received by Verizon

In November 2012 the Board of Representatives of Verizon Wireless declared a distribution to its owners which was paid in the fourth quarter of 2012 in proportion to their partnership interests on the payment date in the aggregate amount of $8 5 billion As a result Vodafone received a cash payment of $3 8 billion and the remainder of the distribution was received by Verizon

In July 2011, the Board of Representatives of Verizon Wireless declared a distribution to its owners which was paid in the first quarter of 2012 in proportion to their partnership interests on the payment date in the aggregate amount of $10 billion As a result, Vodafone received a cash payment of $4 5 billion and the remainder of the distribution was received by Verizon

Note 7
Leasing Arrangements

As Lessor

We are the lessor in leveraged and direct financing lease agreements for commercial aircraft and power generating facilities which comprise the majority of our leasing portfolio along with telecommunications equipment, commercial real estate property and other equipment These leases have remaining terms of up to 37 years as of December 31 2013 In addition we lease space on certain of our cell towers to other wireless carriers Minimum lease payments receivable represent unpaid rentals less principal and interest on third-party nonrecourse debt relating to leveraged lease transactions Since we have no general liability for this debt which is secured by a senior security interest in the leased equipment and rentals, the related principal and interest have been offset against the minimum lease payments receivable in accordance with U S GAAP All recourse debt is reflected in our consolidated balance sheets

At each reporting period we monitor the credit quality of the various lessees in our portfolios Regarding the leveraged lease portfolio, external credit reports are used where available and where not available we use internally developed indicators These indicators or internal credit risk grades factor historic loss experience the value of the underlying collateral delinquency trends and industry and general economic conditions The credit quality of our lessees varies from AAA to CCC+ For each reporting period the leveraged leases within the portfolio are reviewed for indicators of impairment where it is probable the rent due according to the contractual terms of the lease will not be collected All significant accounts individually or in the aggregate are current and none are classified as impaired

Finance lease receivables, which are included in Prepaid expenses and other and Other assets in our consolidated balance sheets are comprised of the following

(dollars in millions)

At December 31,	2013			2012		
	Leveraged Leases	Direct Finance Leases	Total	Leveraged Leases	Direct Finance Leases	Total
Minimum lease payments receivable	$ 1,069	$ 16	$ 1,085	$ 1,253	$ 58	$ 1,311
Estimated residual value	780	5	785	923	6	929
Unearned income	(589)	(4)	(593)	(654)	(10)	(664)
Total	$ 1,260	$ 17	$ 1,277	$ 1,522	$ 54	$ 1,576
Allowance for doubtful accounts			(90)			(99)
Finance lease receivables, net			$ 1,187			$ 1,477
Prepaid expenses and other			$ 5			$ 22
Other assets			1,182			1,455
			$ 1,187			$ 1,477

Accumulated deferred taxes arising from leveraged leases, which are included in Deferred income taxes, amounted to $1.0 billion at December 31, 2013 and $1.2 billion at December 31, 2012.

The following table is a summary of the components of income from leveraged leases:

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Pre-tax income	$ 34	$ 30	$ 61
Income tax expense	12	12	24

The future minimum lease payments to be received from noncancelable capital leases (direct financing and leveraged leases), net of nonrecourse loan payments related to leveraged leases and allowances for doubtful accounts, along with expected receipts relating to operating leases for the periods shown at December 31, 2013, are as follows:

(dollars in millions)

Years	Capital Leases	Operating Leases
2014	$ 34	$ 197
2015	46	170
2016	114	142
2017	38	50
2018	56	23
Thereafter	797	19
Total	$ 1,085	$ 601

As Lessee

We lease certain facilities and equipment for use in our operations under both capital and operating leases. Total rent expense under operating leases amounted to $2.6 billion in 2013 and $2.5 billion in 2012 and 2011, respectively.

Amortization of capital leases is included in Depreciation and amortization expense in the consolidated statements of income. Capital lease amounts included in Plant, property and equipment are as follows:

(dollars in millions)

At December 31	2013	2012
Capital leases	$ 353	$ 358
Less accumulated amortization	188	158
Total	$ 165	$ 200

The aggregate minimum rental commitments under noncancelable leases for the periods shown at December 31, 2013, are as follows:

(dollars in millions)

Years	Capital Leases	Operating Leases
2014	$ 110	$ 2,255
2015	70	2,020
2016	54	1,703
2017	46	1,379
2018	20	1,085
Thereafter	83	3,748
Total minimum rental commitments	383	$ 12,190
Less interest and executory costs	90	
Present value of minimum lease payments	293	
Less current installments	91	
Long-term obligation at December 31, 2013	$ 202	

Debt

Changes to debt during 2013 are as follows:

(dollars in millions)

	Debt Maturing within One Year	Long-term Debt	Total
Balance at January 1, 2013	$ 4,369	$ 47,618	$ 51,987
Proceeds from long-term borrowings	–	49,166	49,166
Repayments of long-term borrowings and capital lease obligations	(3,943)	(4,220)	(8,163)
Decrease in short-term obligations, excluding current maturities	(142)	–	(142)
Reclassifications of long-term debt	3,328	(3,328)	–
Other	321	422	743
Balance at December 31, 2013	$ 3,933	$ 89,658	$ 93,591

Debt maturing within one year is as follows:

(dollars in millions)

At December 31	2013	2012
Long-term debt maturing within one year	$ 3,486	$ 3,869
Commercial paper and other	447	500
Total debt maturing within one year	$ 3,933	$ 4,369

The weighted-average interest rate for our commercial paper outstanding was 0.2% and 0.4% at December 31, 2013 and 2012, respectively.

Credit Facilities

On August 13, 2013, we amended our $6.2 billion credit facility with a group of major financial institutions to extend the maturity date to August 12, 2017. As of December 31, 2013, the unused borrowing capacity under this credit facility was approximately $6.1 billion.

During October 2013, we entered into a $2.0 billion 364-day revolving credit agreement with a group of major financial institutions. Although effective as of October 2013, we could not draw on this revolving credit agreement prior to the completion of the Wireless Transaction. We may use borrowings under the 364-day credit agreement for general corporate purposes. The 364-day revolving credit agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, this agreement requires us to maintain a leverage ratio (as defined in the agreement) not in excess of 3.50 to 1.00, until our credit ratings reach a certain level.

Long-Term Debt

Outstanding long-term debt obligations are as follows:

(dollars in millions)

At December 31,	Interest Rates %	Maturities	2013	2012
Verizon Communications—notes payable and other	0.50 – 3.85	2014 – 2042	$ 20,416	$ 11,198
	4.50 – 5.50	2015 – 2041	20,226	7,062
	5.55 – 6.90	2016 – 2043	31,965	11,031
	7.35 – 8.95	2018 – 2039	5,023	5,017
	Floating	2014 – 2018	5,500	1,000
Verizon Wireless—notes payable and other	8.50 – 8.88	2015 – 2018	3,931	8,635
Verizon Wireless—Alltel assumed notes	6.80 – 7.88	2016 – 2032	1,300	1,500
Telephone subsidiaries—debentures	5.13 – 6.86	2027 – 2033	1,075	2,045
	7.38 – 7.88	2022 – 2032	1,099	1,349
	8.00 – 8.75	2019 – 2031	880	880
Other subsidiaries—debentures and other	6.84 – 8.75	2018 – 2028	1,700	1,700
Capital lease obligations (average rate of 8.1% and 6.3% in 2013 and 2012, respectively)			293	298
Unamortized discount, net of premium			(264)	(328)
Total long-term debt, including current maturities			93,144	53,487
Less long-term debt maturing within one year			3,486	3,869
Total long-term debt			$ 89,658	$ 47,618

2013

During March 2013, we issued $0.5 billion aggregate principal amount of floating rate Notes due 2015 in a private placement resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The proceeds were used for the repayment of commercial paper.

During April 2013, $1.25 billion of 5.25% Verizon Communications Notes matured and were repaid. In addition, during June 2013, $0.5 billion of 4.375% Verizon Communications Notes matured and were repaid.

During September 2013, in connection with the Wireless Transaction, we issued $49.0 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $48.7 billion, net of discounts and issuance costs. The issuances consisted of the following: $2.25 billion aggregate principal amount of floating rate Notes due 2016 that bear interest at a rate equal to three-month LIBOR plus 1.53% which rate will be reset quarterly, $1.75 billion aggregate principal amount of floating rate Notes due 2018 that bear interest at a rate equal to three-month LIBOR plus 1.75% which rate will be reset quarterly, $4.25 billion aggregate principal amount of 2.50% Notes due 2016, $4.75 billion aggregate principal amount of 3.65% Notes due 2018, $4.0 billion aggregate principal amount of 4.50% Notes due 2020, $11.0 billion aggregate principal amount of 5.15% Notes due 2023, $6.0 billion aggregate principal amount of 6.40% Notes due 2033 and $15.0 billion aggregate principal amount of 6.55% Notes due 2043 (collectively, the new notes). The proceeds of the new notes were used to finance, in part, the Wireless Transaction and to pay related fees and expenses. As a result of the issuance of the new notes, we incurred interest expense related to the Wireless Transaction of $0.7 billion during 2013.

In addition, during 2013 we utilized $0.2 billion under fixed rate vendor financing facilities.

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, £1.25 billion aggregate principal amount of 3.25% Notes due 2026 and £0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs. The net proceeds were used, in part, to finance the Wireless Transaction. Any net proceeds not used to finance the Wireless Transaction will be used for general corporate purposes. Also during February 2014, we issued $0.5 billion aggregate principal amount of 5.9% Retail Notes due 2054 resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The proceeds will be used for general corporate purposes.

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5.0 billion aggregate principal amount of floating rate notes. The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 (see Note 2). The eight-year Verizon notes bear interest at a floating rate, equal to three-month LIBOR plus 1.222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR plus 1.372%.

Term Loan Agreement

During October 2013, we entered into a term loan agreement with a group of major financial institutions pursuant to which we drew $6.5 billion to finance, in part, the Wireless Transaction and to pay transaction costs. Half of any loans under the term loan agreement have a maturity of three years and the other half have a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50 to 1.00, until our credit ratings reach a certain level.

Bridge Credit Agreement

During September 2013, we entered into a $61.0 billion bridge credit agreement with a group of major financial institutions. The credit agreement provided us with the ability to borrow up to $61.0 billion to finance, in part, the Wireless Transaction and to pay related transaction costs. Following the September 2013 issuance of notes, borrowing availability under the bridge credit agreement was reduced to $12.0 billion. Following the effectiveness of the term loan agreement in October 2013, the bridge credit agreement was terminated in accordance with its terms and as such, the related fees of $0.2 billion were recognized in Other income and (expense), net during the fourth quarter of 2013.

2012

On November 2, 2012, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the outstanding $1.25 billion aggregate principal amount of 8.95% Verizon Communications Notes due 2039. In the Tender Offer, that was completed November 9, 2012, $0.9 billion aggregate principal amount of the notes was purchased at a price of 126.5% of the principal amount of the notes (see "Early Debt Redemption and Other Costs") and $0.35 billion principal amount of the notes remained outstanding. Any accrued and unpaid interest on the principal purchased was paid to the date of purchase.

During November 2012, we issued $4.5 billion aggregate principal amount of fixed rate notes resulting in cash proceeds of approximately $4.47 billion net of discounts and issuance costs. The issuances consisted of the following: $1.0 billion of 0.70% Notes due 2015, $0.5 billion of 1.10% Notes due 2017, $1.75 billion of 2.45% Notes due 2022 and $1.25 billion of 3.85% Notes due 2042. During December 2012, the net proceeds were used to redeem $0.7 billion of the $2.0 billion of 8.75% Notes due November 2018 at a redemption price of 140.2% of the principal amount of the notes (see "Early Debt Redemption and Other Costs"), $0.75 billion of 4.35% Notes due February 2013 at a redemption price of 100.7% of the principal amount of the notes and certain telephone subsidiary debt (see "Telephone and Other Subsidiary Debt"), as well as for the Tender Offer and other general corporate purposes. Any accrued and unpaid interest was paid to the date of redemption.

In addition, during 2012 we utilized $0.2 billion under fixed rate vendor financing facilities.

Verizon Wireless – Notes Payable and Other

Verizon Wireless Capital LLC, a wholly-owned subsidiary of Verizon Wireless, is a limited liability company formed under the laws of Delaware on December 7, 2001 as a special purpose finance subsidiary to facilitate the offering of debt securities of Verizon Wireless by acting as co-issuer. Other than the financing activities as a co-issuer of Verizon Wireless indebtedness, Verizon Wireless Capital LLC has no material assets, operations or revenues. Verizon Wireless is jointly and severally liable with Verizon Wireless Capital LLC for co-issued notes.

2013

During November 2013, $1.25 billion of 7.375% Verizon Wireless Notes and $0.2 billion of 6.50% Verizon Wireless Notes matured and were repaid. Also during November 2013, Verizon Wireless redeemed $3.5 billion of 5.55% Notes, due February 1, 2014 at a redemption price of 101% of the principal amount of the notes. Any accrued and unpaid interest was paid to the date of redemption.

2012

During February 2012, $0.8 billion of 5.25% Verizon Wireless Notes matured and were repaid. During July 2012, $0.8 billion of 7.0% Verizon Wireless Notes matured and were repaid.

Telephone and Other Subsidiary Debt

2013

During May 2013, $0.1 billion of 7.0% Verizon New York Inc. Debentures matured and were repaid. During June 2013, $0.1 billion of 7.0% Verizon New York Inc. Debentures matured and were repaid. In addition, during June 2013, we redeemed $0.25 billion of 7.15% Verizon Maryland LLC Debentures, due May 2023 at a redemption price of 100% of the principal amount of the debentures. During October 2013, $0.3 billion of 4.75% Verizon New England Inc. Debentures matured and were repaid. During November 2013, we redeemed $0.3 billion of 6.70% Verizon New York Inc. Debentures, due November 2023 at a redemption price of 100% of the principal amount of the debentures. During December 2013, we redeemed $0.2 billion of 7.0% Verizon New York Inc. Debentures, due December 2033 at a redemption price of 100% of the principal amount of the debentures and $20 million of 7.0% Verizon Delaware LLC Debentures, due December 2023 at a redemption price of 100% of the principal amount of the debentures. Any accrued and unpaid interest was paid to the date of redemption.

2012

During January 2012, $1.0 billion of 5.875% Verizon New Jersey Inc. Debentures matured and were repaid. During December 2012, we redeemed the $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 at a redemption price of 101.1% of the principal amount of the debentures. Any accrued and unpaid interest was paid to the date of redemption.

In addition, during 2012, various Telephone and Other Subsidiary Debentures totaling approximately $0.2 billion were repaid and any accrued and unpaid interest was paid to the date of payment.

Early Debt Redemption and Other Costs

During November 2012, we recorded debt redemption costs of $0.8 billion in connection with the purchase of $0.9 billion of the $1.25 billion of 8.95% Verizon Communications Notes due 2039 in a cash tender offer.

During December 2012, we recorded debt redemption costs of $0.3 billion in connection with the early redemption of $0.7 billion of the $2.0 billion of 8.75% Verizon Communications Notes due 2018, $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 and $0.75 billion of 4.35% Verizon Communications Notes due February 2013, as well as $0.3 billion of other costs.

Guarantees

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries. As of December 31, 2013, $3.1 billion principal amount of these obligations remain outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, including the operating telephone company no longer being a wholly-owned subsidiary of Verizon.

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of December 31, 2013, $1.7 billion principal amount of these obligations remain outstanding.

Debt Covenants

We and our consolidated subsidiaries are in compliance with all debt covenants.

Maturities of Long-Term Debt

Maturities of long-term debt outstanding at December 31, 2013 are as follows:

Years	(dollars in millions)
2014	$ 5,486
2015	2,740
2016	10,818
2017	1,331
2018	15,970
Thereafter	89,709

Fair Value Measurements and Financial Instruments

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of December 31, 2013.

	(dollars in millions)			
	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total
Assets				
Cash and cash equivalents				
Fixed income securities	$ 9,190	$ –	$ –	$ 9,190
Short-term investments				
Equity securities	387	–	–	387
Fixed income securities	3	211	–	214
Other assets				
Forward interest rate swaps	–	76	–	76
Fixed income securities	–	875	–	875
Cross currency swaps	–	166	–	166
Total	$ 9,580	$ 1,328	$ –	$ 10,908
Liabilities				
Other liabilities				
Interest rate swaps	$ –	$ 23	$ –	$ 23
Total	$ –	$ 23	$ –	$ 23

[1] quoted prices in active markets for identical assets or liabilities
[2] observable inputs other than quoted prices in active markets for identical assets and liabilities
[3] no observable pricing inputs in the market

Equity securities consist of investments in common stock of domestic and international corporations measured using quoted prices in active markets.

Fixed income securities consist primarily of investments in U.S. Treasuries as well as municipal bonds. We use quoted prices in active markets for our U.S. Treasury securities and therefore these securities are classified as Level 1. For all other fixed income securities that do not have quoted prices in active markets, we use alternative matrix pricing resulting in these debt securities being classified as Level 2.

Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified within Level 2. We use mid-market pricing for fair value measurements of our derivative instruments. Our derivative instruments are recorded on a gross basis.

We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the fair value hierarchy during 2013.

Fair Value of Short-term and Long-term Debt

The fair value of our debt is determined using various methods, including quoted prices for identical terms and maturities, which is a Level 1 measurement; as well as quoted prices for similar terms and maturities in inactive markets and future cash flows discounted at current rates, which are Level 2 measurements. The fair value of our short-term and long-term debt, excluding capital leases, was as follows:

			(dollars in millions)	
At December 31	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short- and long-term debt, excluding capital leases	$ 93,298	$ 103,527	$ 71,689	$ 81,552

Derivative Instruments

Interest Rate Swaps

We have entered into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our consolidated balance sheets as assets and liabilities.

During 2012, interest rate swaps with a notional value of $5.8 billion were settled. As a result of the settlements, we received net proceeds of $0.7 billion, including accrued interest which is included in Other, net operating activities in the consolidated statement of cash flows. The fair value basis adjustment to the underlying debt instruments was recognized into earnings as a reduction of interest expense over the remaining lives of the underlying debt obligations. During the second quarter of 2013, interest rate swaps with a notional value of $1.25 billion matured and the impact to our consolidated financial statements was not material. During the third quarter of 2013, we entered into interest rate swaps with a total notional value of $1.5 billion. At December 31, 2013 and 2012, the fair value of these interest rate swaps was not material. At December 31, 2013, the total notional amount of these interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material at December 31, 2013.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a notional value of $2.0 billion. We designated these contracts as cash flow hedges. The fair value of these contracts was not material at December 31, 2013.

Cross Currency Swaps

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.6 billion of British Pound Sterling and Euro denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses. A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations. The fair value of the outstanding swaps was not material at December 31, 2013 or December 31, 2012. During 2013 and 2012 the gains with respect to these swaps were not material.

During February 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Concentrations of Credit Risk

Financial instruments that subject us to concentrations of credit risk consist primarily of temporary cash investments, short-term and long-term investments, trade receivables, certain notes receivable, including lease receivables, and derivative contracts. Our policy is to deposit our temporary cash investments with major financial institutions. Counterparties to our derivative contracts are also major financial institutions with whom we have negotiated derivatives agreements (ISDA master agreement) and credit support annex agreements which provide rules for collateral exchange. We generally apply collateralized arrangements with our counterparties for uncleared derivatives to mitigate credit risk. We may enter into swaps on an uncollateralized basis in certain circumstances. While we may be exposed to credit losses due to the nonperformance of our counterparties, we consider the risk remote and do not expect the settlement of these transactions to have a material effect on our results of operations or financial condition.

Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc. Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and other awards. The maximum number of shares available for awards from the Plan is 119.6 million shares.

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant. The RSUs are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting. The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period. Dividend equivalent units are also paid to participants at the time the RSU award is paid, and in the same proportion as the RSU award.

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant. As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle. The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting. The PSU award liability is measured at its fair value at the end of each reporting period and, therefore, will fluctuate based on the price of Verizon common stock as well as performance relative to the targets. Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award. The granted and cancelled activity for the PSU award includes adjustments for the performance goals achieved.

The following table summarizes Verizon's Restricted Stock Unit and Performance Stock Unit activity.

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding January 1, 2011	20,923	32,380
Granted	6,667	10,348
Payments	(7,600)	(12,137)
Cancelled/Forfeited	(154)	(2,977)
Outstanding December 31, 2011	**19,836**	**27,614**
Granted	**6,350**	**20,537**
Payments	**(7,369)**	**(8,499)**
Cancelled/Forfeited	**(148)**	**(189)**
Outstanding December 31, 2012	**18,669**	**39,463**
Granted	**4,950**	**7,470**
Payments	**(7,246)**	**(22,703)**
Cancelled/Forfeited	**(180)**	**(506)**
Outstanding December 31, 2013	**16,193**	**23,724**

As of December 31, 2013, unrecognized compensation expense related to the unvested portion of Verizon's RSUs and PSUs was approximately $0.4 billion and is expected to be recognized over approximately two years.

The RSUs granted in 2013 and 2012 have weighted-average grant-date fair values of $47.96 and $38.67 per unit, respectively. During 2013, 2012 and 2011, we paid $1.1 billion, $0.6 billion and $0.7 billion, respectively, to settle RSUs and PSUs classified as liability awards.

Verizon Wireless' Long-Term Incentive Plan

The Verizon Wireless Long-Term Incentive Plan (the Wireless Plan) provides compensation opportunities to eligible employees of Verizon Wireless (the Partnership). Under the Wireless Plan, Value Appreciation Rights (VARs) were granted to eligible employees. As of December 31, 2013, all VARs were fully vested. We have not granted new VARs since 2004.

VARs reflect the change in the value of the Partnership, as defined in the Wireless Plan. Similar to stock options, the valuation is determined using a Black-Scholes model. Once VARs become vested, employees can exercise their VARs and receive a payment that is equal to the difference between the VAR price on the date of grant and the VAR price on the date of exercise, less applicable taxes. All outstanding VARs are fully exercisable and have a maximum term of 10 years. All VARs were granted at a price equal to the estimated fair value of the Partnership, as defined in the Wireless Plan, at the date of the grant.

The following table summarizes the assumptions used in the Black-Scholes model during 2013.

	End of Period
Risk-free rate	0.11%
Expected term (in years)	0.12
Expected volatility	43.27%

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of the measurement date. Expected volatility was based on a blend of the historical and implied volatility of publicly traded peer companies for a period equal to the VARs' expected life ending on the measurement date.

The following table summarizes the Value Appreciation Rights activity.

(shares in thousands)	VARs	Weighted-Average Grant-Date Fair Value
Outstanding rights, January 1, 2011	11,569	$ 13.11
Exercised	(3,303)	14.87
Cancelled/Forfeited	(52)	14.74
Outstanding rights, December 31, 2011	8,214	12.39
Exercised	(3,427)	10.30
Cancelled/Forfeited	(21)	11.10
Outstanding rights, December 31, 2012	4,766	13.89
Exercised	**(1,916)**	**13.89**
Cancelled/Forfeited	**(3)**	**13.89**
Outstanding rights, December 31, 2013	**2,847**	**13.89**

During 2013, 2012 and 2011, we paid $0.1 billion, respectively, to settle VARs classified as liability awards.

Stock-Based Compensation Expense

After-tax compensation expense for stock-based compensation related to RSUs, PSUs and VARs described above, included in Net income attributable to Verizon was $0.4 billion, $0.7 billion and $0.5 billion for 2013, 2012 and 2011, respectively.

Stock Options

The Plan provides for grants of stock options to participants at an option price per share of no less than 100% of the fair market value of Verizon common stock on the date of grant. Each grant has a 10-year life, vesting equally over a three-year period starting at the date of the grant. We have not granted new stock options since 2004.

The following table summarizes Verizon's stock option activity.

(shares in thousands)	Stock Options	Weighted-Average Exercise Price
Outstanding, January 1, 2011	56,844	$ 44.25
Exercised	(7,104)	35.00
Cancelled/Forfeited	(21,921)	51.06
Outstanding, December 31, 2011	27,819	41.24
Exercised	(7,447)	35.20
Cancelled/Forfeited	(17,054)	45.15
Outstanding, December 31, 2012	3,318	34.69
Exercised	(2,253)	34.85
Cancelled/Forfeited	(82)	34.49
Outstanding, December 31, 2013	**983**	**34.35**

All stock options outstanding at December 31, 2013, 2012 and 2011 were exercisable.

The following table summarizes information about Verizon's stock options outstanding as of December 31, 2013.

Range of Exercise Prices	Stock Options (in thousands)	Weighted-Average Remaining Life (years)	Weighted-Average Exercise Price
$30.00-39.99	969	0.1	$ 34.18
40.00-49.99	14	0.1	46.31
Total	983	0.1	34.35

The total intrinsic value for stock options outstanding as of December 31, 2013 is not significant. The total intrinsic value of stock options exercised was not significant in 2013 and the associated tax benefits were not significant in 2013, 2012 and 2011. The amount of cash received from the exercise of stock options was $0.1 billion in 2013, $0.3 billion in 2012 and $0.2 billion in 2011. There was no stock option expense for 2013, 2012 and 2011.

Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees. In addition, we maintain postretirement health care and life insurance plans for our retirees and their dependents, which are both contributory and non-contributory, and includes a limit on our share of the cost for certain current and future retirees. In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit-related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions. The adjustment is recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses.

Pension and Other Postretirement Benefits

Pension and other postretirement benefits for many of our employees are subject to collective bargaining agreements. Modifications in benefits have been bargained from time to time, and we may also periodically amend the benefits in the management plans. The following tables summarize benefit costs, as well as the pension benefit obligations, plan assets, funded status and rate assumptions associated with pension and postretirement health care and life insurance benefit plans.

Obligations and Funded Status

	Pension		Health Care and Life	
(dollars in millions)				
At December 31,	2013	2012	2013	2012
Change in Benefit Obligations				
Beginning of year	$ 26,773	$ 30,582	$ 26,844	$ 27,369
Service cost	395	358	318	359
Interest cost	1,002	1,449	1,095	1,284
Plan amendments	(149)	183	(119)	(1,826)
Actuarial (gain) loss, net	(2,327)	6,074	(3,576)	1,402
Benefits paid	(1,777)	(2,735)	(1,520)	(1,744)
Curtailment and termination benefits	4	–	–	–
Annuity purchase	–	(8,352)	–	
Settlements paid	(889)	(786)	–	–
End of year	$ 23,032	$ 26,773	$ 23,042	$ 26,844
Change in Plan Assets				
Beginning of year	$ 18,282	$ 24,110	$ 2,657	$ 2,628
Actual return on plan assets	1,388	2,326	556	312
Company contributions	107	3,719	1,360	1,461
Benefits paid	(1,777)	(2,735)	(1,520)	(1,744)
Settlements paid	(889)	(786)	–	–
Annuity purchase	–	(8,352)	–	–
End of year	$ 17,111	$ 18,282	$ 3,053	$ 2,657
Funded Status				
End of year	$ (5,921)	$ (8,491)	$ (19,989)	$ (24,187)

	Pension		Health Care and Life	
(dollars in millions)				
At December 31,	2013	2012	2013	2012
Amounts recognized on the balance sheet				
Noncurrent assets	$ 339	$ 236	$ –	$ –
Current liabilities	(137)	(129)	(710)	(766)
Noncurrent liabilities	(6,123)	(8,598)	(19,279)	(23,421)
Total	$ (5,921)	$ (8,491)	$ (19,989)	$ (24,187)
Amounts recognized in Accumulated Other Comprehensive Income (Pre-tax)				
Prior Service Benefit (Cost)	$ 25	$ 181	$ (2,120)	$ (2,247)
Total	$ 25	$ 181	$ (2,120)	$ (2,247)

Beginning in 2013, as a result of federal health care reform, Verizon no longer files for the Retiree Drug Subsidy (RDS) and instead contracts with a Medicare Part D plan on a group basis to provide prescription drug benefits to Medicare eligible retirees.

During 2012, we reached agreements with the Communications Workers of America and the International Brotherhood of Electrical Workers on new, three-year contracts that cover approximately 43,000 Wireline employees. This resulted in the adoption of plan amendments which will result in lower other postretirement benefit costs in 2013 and beyond.

The accumulated benefit obligation for all defined benefit pension plans was $22.9 billion and $26.5 billion at December 31, 2013 and 2012, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets follows:

	(dollars in millions)	
At December 31	2013	2012
Projected benefit obligation	$ 22,610	$ 26,351
Accumulated benefit obligation	22,492	26,081
Fair value of plan assets	16,350	17,623

Net Periodic Cost

The following table summarizes the benefit (income) cost related to our pension and postretirement health care and life insurance plans:

	Pension			Health Care and Life		
(dollars in millions)						
Years Ended December 31,	2013	2012	2011	2013	2012	2011
Service cost	$ 395	$ 358	$ 307	$ 318	$ 359	$ 299
Amortization of prior service cost (credit)	6	(1)	72	(247)	(89)	(57)
Subtotal	401	357	379	71	270	242
Expected return on plan assets	(1,245)	(1,795)	(1,976)	(143)	(171)	(163)
Interest cost	1,002	1,449	1,590	1,095	1,284	1,421
Subtotal	158	11	(7)	1,023	1,383	1,500
Remeasurement (gain) loss, net	(2,470)	5,542	4,146	(3,989)	1,262	1,787
Net periodic benefit (income) cost	(2,312)	5,553	4,139	(2,966)	2,645	3,287
Curtailment and termination benefits	4	–	–	–	–	–
Total	$ (2,308)	$ 5,553	$ 4,139	$ (2,966)	$ 2,645	$ 3,287

Other pre-tax changes in plan assets and benefit obligations recognized in other comprehensive (income) loss are as follows:

	Pension		Health Care and Life	
(dollars in millions)				
At December 31	2013	2012	2013	2012
Prior service cost	$ (149)	$ 183	$ (119)	$ (1,826)
Reversal of amortization items				
Prior service cost	(6)	1	247	89
Total recognized in other comprehensive (income) loss (pre-tax)	$ (155)	$ 184	$ 128	$ (1,737)

The estimated prior service cost for the defined benefit pension plan that will be amortized from Accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year is not significant. The estimated prior service cost for the defined benefit postretirement plans that will be amortized from Accumulated other comprehensive income into net periodic benefit (income) cost over the next fiscal year is $0.3 billion.

Assumptions

The weighted-average assumptions used in determining benefit obligations follow:

	Pension		Health Care and Life	
At December 31	2013	2012	2013	2012
Discount Rate	5.00%	4.20%	5.00%	4.20%
Rate of compensation increases	3.00	3.00	N/A	N/A

The weighted-average assumptions used in determining net periodic cost follow:

	Pension			Health Care and Life		
At December 31,	2013	2012	2011	2013	2012	2011
Discount Rate	4.20%	5.00%	5.75%	4.20%	5.00%	5.75%
Expected return on plan assets	7.50	7.50	8.00	5.60	7.00	6.00
Rate of compensation increases	3.00	3.00	3.00	N/A	N/A	N/A

In order to project the long-term target investment return for the total portfolio, estimates are prepared for the total return of each major asset class over the subsequent 10-year period. Those estimates are based on a combination of factors including the current market interest rates and valuation levels, consensus earnings expectations and historical long-term risk premiums. To determine the aggregate return for the pension trust, the projected return of each individual asset class is then weighted according to the allocation to that investment area in the trust's long-term asset allocation policy.

The assumed health care cost trend rates follow:

	Health Care and Life		
At December 31,	2013	2012	2011
Healthcare cost trend rate assumed for next year	6.50%	7.00%	7.50%
Rate to which cost trend rate gradually declines	4.75	5.00	5.00
Year the rate reaches the level it is assumed to remain thereafter	2020	2016	2016

A one-percentage point change in the assumed health care cost trend rate would have the following effects:

	(dollars in millions)	
One-Percentage Point	Increase	Decrease
Effect on 2013 service and interest cost	$ 184	$ (150)
Effect on postretirement benefit obligation as of December 31, 2013	2,539	(2,086)

Plan Assets

Historically, our portfolio strategy emphasized a long-term equity orientation, significant global diversification, and the use of both public and private investments. In an effort to reduce the risk of our portfolio strategy and better align assets with liabilities, we have shifted our strategy to one that is more liability driven, where cash flows from investments better match projected benefit payments but result in lower asset returns. We intend to reduce the likelihood that assets will decline at a time when liabilities increase (referred to as liability hedging) with the goal to reduce the risk of underfunding to the plan and its participants and beneficiaries. Both active and passive management approaches are used depending on perceived market efficiencies and various other factors. Our diversification and risk control processes serve to minimize the concentration of risk.

While target allocation percentages will vary over time, the company's overall investment strategy is to achieve a mix of assets which allows us to meet projected benefits payments while taking into consideration risk and return. The current target allocation for plan assets is designed so that 70% of the assets have the objective of achieving a return in excess of the growth in liabilities (comprised of public equities, private equities, real estate, hedge funds and emerging debt) and 30% of the assets are invested as liability hedging assets (typically longer duration fixed income). This allocation will shift as funded status improves to a higher allocation to liability hedging assets. Target positions will be revisited periodically to ensure they are in line with fund objectives. Due to our diversification and risk control processes, there are no significant concentrations of risk, in terms of sector, industry, geography or company names.

Pension and healthcare and life plans assets do not include significant amounts of Verizon common stock.

Pension Plans

The fair values for the pension plans by asset category at December 31, 2013 are as follows:

				(dollars in millions)
Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 968	$ 881	$ 87	$ –
Equity securities	4,200	3,300	900	–
Fixed income securities				
U.S. Treasuries and agencies	1,097	691	406	–
Corporate bonds	2,953	212	2,579	162
International bonds	364	51	313	–
Other	3	–	3	–
Real estate	1,784	–	–	1,784
Other				
Private equity	3,942	–	–	3,942
Hedge funds	1,800	–	604	1,196
Total	$ 17,111	$ 5,135	$ 4,892	$ 7,084

The fair values for the pension plans by asset category at December 31, 2012 are as follows:

				(dollars in millions)
Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,618	$ 1,586	$ 32	$ –
Equity securities	2,944	2,469	475	–
Fixed income securities				
U.S. Treasuries and agencies	1,589	1,125	464	–
Corporate bonds	2,456	35	2,225	196
International bonds	601	140	461	–
Other	210	–	210	–
Real estate	2,018	–	–	2,018
Other				
Private equity	5,039	–	–	5,039
Hedge funds	1,807	–	1,229	578
Total	$ 18,282	$ 5,355	$ 5,116	$ 7,811

The following is a reconciliation of the beginning and ending balance of pension plan assets that are measured at fair value using significant unobservable inputs

	Corporate Bonds	Real Estate	Private Equity	Hedge Funds	Total
				(dollars in millions)	
Balance at January 1, 2012	$ 189	$ 2,158	$ 6,055	$ 662	$ 9,064
Actual gain on plan assets	12	84	146	43	285
Purchases and sales	(14)	(224)	(1,162)	(147)	(1,547)
Transfers in	9	--	--	--	9
Balance at December 31, 2012	$ 196	$ 2,018	$ 5,039	$ 558	$ 7,811
Actual gain on plan assets	**12**	**81**	**674**	**84**	**851**
Purchases and sales	**(13)**	**(315)**	**(1,732)**	**(124)**	**(2,184)**
Transfers in (out)	**(33)**	**--**	**(39)**	**678**	**606**
Balance at December 31, 2013	**$ 162**	**$ 1,784**	**$ 3,942**	**$ 1,196**	**$ 7,084**

Health Care and Life Plans

The fair values for the other postretirement benefit plans by asset category at December 31, 2013 are as follows

Asset Category	Total	Level 1	Level 2	Level 3
			(dollars in millions)	
Cash and cash equivalents	$ 237	$ 12	$ 225	$ --
Equity securities	2,178	1,324	854	--
Fixed income securities				
U S Treasuries and agencies	121	94	27	--
Corporate bonds	252	45	207	--
International bonds	104	18	86	--
Other	161	40	121	--
Total	$ 3,053	$ 1,533	$ 1,520	$ --

The fair values for the other postretirement benefit plans by asset category at December 31, 2012 are as follows

Asset Category	Total	Level 1	Level 2	Level 3
			(dollars in millions)	
Cash and cash equivalents	$ 291	$ 13	$ 278	$ --
Equity securities	1,753	1,004	749	--
Fixed income securities				
U S Treasuries and agencies	118	80	38	--
Corporate bonds	192	11	181	--
International bonds	189	72	117	--
Other	114	--	114	--
Total	$ 2,657	$ 1,180	$ 1,477	$ --

The following are general descriptions of asset categories as well as the valuation methodologies and inputs used to determine the fair value of each major category of assets

Cash and cash equivalents include short-term investment funds, primarily in diversified portfolios of investment grade money market instruments and are valued using quoted market prices or other valuation methods and thus are classified within Level 1 or Level 2

Equity securities are investments in common stock of domestic and international corporations in a variety of industry sectors, and are valued primarily using quoted market prices or other valuation methods and thus are classified within Level 1 or Level 2

Fixed income securities include U S Treasuries and agencies, debt obligations of foreign governments and domestic and foreign corporations Fixed income also includes investments in collateralized mortgage obligations mortgage backed securities and interest rate swaps The fair value of fixed income securities is based on observable prices for identical or comparable assets adjusted using benchmark curves sector grouping, matrix pricing broker/dealer quotes and issuer spreads and thus is classified within Level 1 or Level 2

Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally The fair values of real estate assets are typically determined by using income and/or cost approaches or a comparable sales approach, taking into consideration discount and capitalization rates financial conditions, local market conditions and the status of the capital markets and thus are classified within Level 3

Private equity investments include those in limited partnerships that invest in operating companies that are not publicly traded on a stock exchange Investment strategies in private equity include leveraged buyouts, venture capital, distressed investments and investments in natural resources These investments are valued using inputs such as trading multiples of comparable public securities, merger and acquisition activity and pricing data from the most recent equity financing taking into consideration illiquidity, and thus are classified within Level 3

Hedge fund investments include those seeking to maximize absolute returns using a broad range of strategies to enhance returns and provide additional diversification The fair values of hedge funds are estimated using net asset value per share (NAV) of the investments Verizon has the ability to redeem these investments at NAV within the near term and thus are classified within Level 2 Investments that cannot be redeemed in the near term are classified within Level 3

Cash Flows

In 2013, contributions to our qualified pension plans were not material Also in 2013 we contributed $0 1 billion to our nonqualified pension plans and $1 4 billion to our other postretirement benefit plans We anticipate approximately $1 2 billion in contributions to our qualified pension plans, $0 2 billion to our nonqualified pension plans and $1 4 billion to our other postretirement benefit plans in 2014

Estimated Future Benefit Payments

The benefit payments to retirees are expected to be paid as follows

Year	Pension Benefits	Health Care and Life
		(dollars in millions)
2014	$ 2,980	$ 1,582
2015	2,280	1,574
2016	1 742	1,538
2017	1,666	1,506
2018	1,377	1,474
2019-2023	6,712	6,846

Savings Plan and Employee Stock Ownership Plans

We maintain four leveraged employee stock ownership plans (ESOP) Only one plan currently has unallocated shares We match a certain percentage of eligible employee contributions to the savings plans with shares of our common stock from this ESOP At December 31, 2013, the number of unallocated and allocated shares of common stock in this ESOP was 163 thousand and 62 million, respectively All leveraged ESOP shares are included in earnings per share computations

Total savings plan costs were $1 0 billion in 2013 and $0 7 billion in 2012 and 2011, respectively

Pension Annuitization

On October 17, 2012, we, along with our subsidiary Verizon Investment Management Corp , and Fiduciary Counselors Inc , as independent fiduciary of the Verizon Management Pension Plan (the Plan), entered into a definitive purchase agreement with The Prudential Insurance Company of America (Prudential) and Prudential Financial, Inc., pursuant to which the Plan would purchase a single premium group annuity contract from Prudential

On December 10, 2012, upon issuance of the group annuity contract by Prudential Prudential irrevocably assumed the obligation to make future annuity payments to approximately 41 000 Verizon management retirees who began receiving pension payments from the Plan prior to January 1, 2010 The amount of each retiree's annuity payment equals the amount of such individual's pension benefit In addition the group annuity contract is intended to replicate the same rights to future payments, such as survivor benefits that are currently offered by the Plan

We contributed approximately $2 6 billion to the Plan between September 1 2012 and December 31 2012 in connection with the transaction so that the Plan s funding percentage would not decrease as a result of the transaction

Severance Benefits

The following table provides an analysis of our actuarially determined severance liability recorded in accordance with the accounting standard regarding employers' accounting for postemployment benefits

Year	Beginning of Year	Charged to Expense	Payments	Other	End of Year
			(dollars in millions)		
2011	$ 1 569	$ 52	$ (354)	$ (14)	$ 1 113
2012	1 113	396	(531)	32	1 010
2013	1,010	144	(381)	(6)	757

Severance, Pension and Benefit (Credits) Charges

During 2013, we recorded net pre-tax severance pension and benefits credits of approximately $6 2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The credits were primarily driven by an increase in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4 2% as December 31, 2012 to a weighted-average of 5 0% at December 31 2013 ($4 3 billion) lower than assumed retiree medical costs and other assumption adjustments ($1 4 billion) and the difference between our estimated return on assets of 7 5% at December 31 2012 and our actual return on assets of 8 6% at December 31, 2013 ($0 5 billion)

During 2012, we recorded net pre-tax severance, pension and benefits charges of approximately $7 2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from a weighted average of 5% at December 31 2011 to a weighted average of 4 2% at December 31 2012 ($5 2 billion) and revisions to the retirement assumptions for participants and other assumption adjustments partially offset by the difference between our estimated return on assets of 7 5% and our actual return on assets of 10% ($0 7 billion) As part of this charge, we also recorded $1 0 billion related to the annuitization of pension liabilities as described above as well as severance charges of $0 4 billion primarily for approximately 4 000 management employees

During 2011, we recorded net pre-tax severance pension and benefits charges of approximately $6 0 billion for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from 5 75% at December 31, 2010 to 5% at December 31 2011 ($2 6 billion) the difference between our estimated return on assets of 8% and our actual return on assets of 5% ($0 9 billion) and revisions to the life expectancy of participants and other adjustments to assumptions

Note

Taxes

The components of income before (provision) benefit for income taxes are as follows

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Domestic	$ 28,833	$ 9,316	$ 9,724
Foreign	444	581	759
Total	$ 29,277	$ 9 897	$ 10,483

The components of the provision (benefit) for income taxes are as follows

Years Ended December 31	2013	2012	2011
		(dollars in millions)	
Current			
Federal	$ (197)	$ 223	$ 193
Foreign	(58)	(31)	25
State and Local	201	114	290
Total	(55)	292	508
Deferred			
Federal	5,060	(559)	270
Foreign	8	10	(38)
State and Local	717	(403)	(455)
Total	5,785	(952)	(223)
Total income tax provision (benefit)	$ 5,730	$ (660)	$ 285

The following table shows the principal reasons for the difference between the effective income tax rate and the statutory federal income tax rate

Years Ended December 31,	2013	2012	2011
Statutory federal income tax rate	35 0%	35 0%	35 0%
State and local income tax rate, net of federal tax benefits	2 1	(1 9)	(1 0)
Affordable housing credit	(0 6)	(1 9)	(1 8)
Employee benefits including ESOP dividend	(0 4)	(1 1)	(1 4)
Equity in earnings from unconsolidated businesses	(0 3)	(1 4)	(1 9)
Noncontrolling interests	(14 3)	(33 7)	(22 0)
Other, net	(1 9)	(1 7)	(3 2)
Effective income tax rate	19 6%	(6 7)%	2 7%

The effective income tax rate for 2013 was 19 6% compared to (6 7)% for 2012 The increase in the effective income tax rate and provision for income taxes was primarily due to higher income before income taxes as a result of severance pension and benefit credits recorded during 2013 compared to lower income before income taxes as a result of severance pension and benefit charges as well as early debt redemption costs recorded during 2012

The effective income tax rate for 2012 was (6.7)% compared to 2.7% for 2011. The negative effective income tax rate for 2012 and the decrease in the provision for income taxes during 2012 compared to 2011 was primarily due to lower income before income taxes as a result of higher severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

The amounts of cash taxes paid are as follows:

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Income taxes, net of amounts refunded	$ 422	$ 351	$ 762
Employment taxes	1,282	1,308	1,328
Property and other taxes	2,082	1,727	1,883
Total	$ 3,786	$ 3,386	$ 3,973

Deferred taxes arise because of differences in the book and tax bases of certain assets and liabilities. Significant components of deferred tax assets and liabilities are as follows:

At December 31,	2013	2012
	(dollars in millions)	
Employee benefits	$ 10,242	$ 13,644
Tax loss and credit carry forwards	2,747	4,819
Uncollectible accounts receivable	213	206
Other - assets	959	1,050
	14,161	19,719
Valuation allowances	(1,596)	(2,041)
Deferred tax assets	12,565	17,678
Former MCI intercompany accounts receivable basis difference	1,121	1,275
Depreciation	14,030	13,953
Leasing activity	997	1,208
Wireless joint venture including wireless licenses	23,032	22,171
Other - liabilities	1,470	1,320
Deferred tax liabilities	40,650	39,927
Net deferred tax liability	$ 28,085	$ 22,249

At December 31, 2013, undistributed earnings of our foreign subsidiaries indefinitely invested outside the U.S. amounted to approximately $2.1 billion. The majority of Verizon's cash flow is generated from domestic operations and we are not dependent on foreign cash or earnings to meet our funding requirements, nor do we intend to repatriate these undistributed foreign earnings to fund U.S. operations. Furthermore, a portion of these undistributed earnings represent amounts that legally must be kept in reserve in accordance with certain foreign jurisdictional requirements and are unavailable for distribution or repatriation. As a result, we have not provided U.S. deferred taxes on these undistributed earnings because we intend that they will remain indefinitely reinvested outside of the U.S. and therefore unavailable for use in funding U.S. operations. Determination of the amount of unrecognized deferred taxes related to these undistributed earnings is not practicable.

At December 31, 2013, we had net after-tax loss and credit carry forwards for income tax purposes of approximately $2.7 billion. Of these net after-tax loss and credit carry forwards, approximately $2.1 billion will expire between 2014 and 2033 and approximately $0.6 billion may be carried forward indefinitely. The amount of net after-tax loss and credit carry forwards reflected as a deferred tax asset above has been reduced by approximately $0.1 billion at December 31, 2012 due to federal and state tax law limitations on utilization of net operating losses.

During 2013, the valuation allowance decreased approximately $0.4 billion. The balance of the valuation allowance at December 31, 2013 and the 2013 activity is primarily related to state and foreign tax losses and credit carry forwards.

Unrecognized Tax Benefits

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows:

	2013	2012	2011
		(dollars in millions)	
Balance at January 1	$ 2,943	$ 3,078	$ 3,242
Additions based on tax positions related to the current year	116	131	111
Additions for tax positions of prior years	250	92	456
Reductions for tax positions of prior years	(801)	(415)	(644)
Settlements	(210)	100	(56)
Lapses of statutes of limitations	(168)	(43)	(31)
Balance at December 31,	$ 2,130	$ 2,943	$ 3,078

Included in the total unrecognized tax benefits at December 31, 2013, 2012 and 2011 is $1.4 billion, $2.1 billion and $2.2 billion respectively, that, if recognized, would favorably affect the effective income tax rate.

We recognized the following net after-tax benefits related to interest and penalties in the provision for income taxes:

Years Ended December 31,	(dollars in millions)
2013	$ 33
2012	82
2011	60

The after-tax accruals for the payment of interest and penalties in the consolidated balance sheets are as follows:

At December 31	(dollars in millions)
2013	$ 274
2012	386

The decrease in unrecognized tax benefits was primarily due to the resolution of issues with the Internal Revenue Service (IRS) involving tax years 2004 through 2006, as well as the resolution of tax controversies in Canada and Italy.

Verizon and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state, local and foreign jurisdictions. As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions for various open tax years. The IRS is currently examining the Company's U.S. income tax returns for tax years 2007-2009 and Cellco Partnership's U.S. income tax returns for tax years 2010-2011. Significant tax examinations and litigation are ongoing in New York City for tax years as early as 2000. The amount of the liability for unrecognized tax benefits will change in the next twelve months due to the expiration of the statute of limitations in various jurisdictions and it is reasonably possible that various current tax examinations will conclude or require reevaluations of the Company's tax positions during this period. An estimate of the range of the possible change cannot be made until these tax matters are further developed or resolved.

Note 13
Segment Information

Reportable Segments

We have two reportable segments, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income, consistent with the chief operating decision maker's assessment of segment performance.

Corporate eliminations and other includes unallocated corporate expenses, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, pension and other employee benefit related costs, lease financing, as well as other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance.

The reconciliation of segment operating revenues and expenses to consolidated operating revenues and expenses below also includes those items of a non-recurring or non-operational nature. We exclude from segment results the effects of certain items that management does not consider in assessing segment performance primarily because of their non-recurring or non-operational nature.

We have adjusted prior period consolidated and segment information, where applicable, to conform to current year presentation.

Our segments and their principal activities consist of the following:

Segment	Description
Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales which are provided to consumer, business and government customers across the United States.
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

The following table provides operating financial information for our two reportable segments:

2013	Wireless	Wireline	Total Segments
			(dollars in millions)
External Operating Revenues			
Retail service	$ 66,282	$ –	$ 66,282
Other service	2,691	–	2,691
Service revenue	68,973	–	68,973
Equipment	8,096	–	8,096
Other	3,851	–	3,851
Consumer retail	–	14,737	14,737
Small business	–	2,587	2,587
Mass Markets	–	17,324	17,324
Strategic services	–	8,410	8,410
Core	–	6,267	6,267
Global Enterprise	–	14,677	14,677
Global Wholesale	–	5,703	5,703
Other	–	456	456
Intersegment revenues	101	1,063	1,164
Total operating revenues	81,023	39,223	120,246
Cost of services and sales	23,648	21,928	45,576
Selling, general and administrative expense	23,176	8,595	31,771
Depreciation and amortization expense	8,202	8,327	16,529
Total operating expenses	55,026	38,850	93,876
Operating income	$ 25,997	$ 373	$ 26,370
Assets	$ 146,429	$ 84,573	$ 231,002
Plant, property and equipment, net	35,932	51,885	87,817
Capital expenditures	9,425	6,229	15,654

2012	Wireless	Wireline	Total Segments
			(dollars in millions)
External Operating Revenues			
Retail service	$ 61,383	$ –	$ 61,383
Other service	2,290	–	2,290
Service revenue	63,673	–	63,673
Equipment	8,010	–	8,010
Other	4,096	–	4,096
Consumer retail	–	14,043	14,043
Small business	–	2,648	2,648
Mass Markets	–	16,691	16,691
Strategic services		8,052	8,052
Core	–	7,240	7,240
Global Enterprise	–	15,292	15,292
Global Wholesale	–	6,177	6,177
Other	–	508	508
Intersegment revenues	89	1,112	1,201
Total operating revenues	75,868	39,780	115,648
Cost of services and sales	24,490	22,413	46,903
Selling, general and administrative expense	21,650	8,883	30,533
Depreciation and amortization expense	7,960	8,424	16,384
Total operating expenses	54,100	39,720	93,820
Operating income	$ 21,768	$ 60	$ 21,828
Assets	$ 142,485	$ 84,815	$ 227,300
Plant, property and equipment, net	34,545	52,911	87,456
Capital expenditures	8,857	6,342	15,199

2011	Wireless	Wireline	Total Segments
			(dollars in millions)
External Operating Revenues			
Retail service	$ 56,601	$ –	$ 56,601
Other service	2,497	–	2,497
Service revenue	59,098	–	59,098
Equipment	7,446	–	7,446
Other	3,517	–	3,517
Consumer retail	–	13,605	13,605
Small business	–	2,720	2,720
Mass Markets	–	16,325	16,325
Strategic services	–	7,607	7,607
Core		8,014	8,014
Global Enterprise		15,621	15,621
Global Wholesale	–	6,795	6,795
Other	–	704	704
Intersegment revenues	93	1,237	1,330
Total operating revenues	70,154	40,682	110,836
Cost of services and sales	24,086	22,158	46,244
Selling, general and administrative expense	19,579	9,107	28,686
Depreciation and amortization expense	7,962	8,458	16,420
Total operating expenses	51,627	39,723	91,350
Operating income	$ 18,527	$ 959	$ 19,486
Assets	$ 147,378	$ 86,185	$ 233,563
Plant, property and equipment, net	33,451	54,149	87,600
Capital expenditures	8,973	6,399	15,372

Reconciliation to Consolidated Financial Information

A reconciliation of the segment operating revenues to consolidated operating revenues is as follows:

Years Ended December 31,	2013	2012	2011
			(dollars in millions)
Operating Revenues			
Total reportable segments	**$ 120,246**	**$ 115,648**	**$ 110,836**
Reconciling items			
Corporate, eliminations and other	304	198	39
Consolidated operating revenues	$ 120,550	$ 115,846	$ 110,875

A reconciliation of the total of the reportable segments' operating income to consolidated income before (provision) benefit for income taxes is as follows:

Years Ended December 31,	2013	2012	2011
			(dollars in millions)
Operating Income			
Total segment operating income	$ 26,370	$ 23,828	$ 19,486
Severance, pension and benefit credits (charges) (Note 11)	6,232	(7,286)	(5,994)
Gain on spectrum license transaction (Note 2)	278	–	–
Litigation settlements (Note 16)	–	(354)	–
Other costs (Note 8)	–	(376)	–
Corporate eliminations and other	(912)	(822)	(652)
Consolidated operating income	31,968	13,160	12,840
Equity in earnings of unconsolidated businesses	142	224	444
Other income and (expense) net	(166)	(1,016)	(14)
Interest expense	(2,667)	(2,571)	(2,827)
Income Before (Provision) Benefit for Income Taxes	$ 29,277	$ 9,897	$ 10,443

A reconciliation of the total of the reportable segments' assets to consolidated assets is as follows:

At December 31,	2013	2012
		(dollars in millions)
Assets		
Total reportable segments	$ 231,002	$ 227,300
Corporate eliminations and other	43,096	(2,078)
Total consolidated	$ 274,098	$ 225,222

Corporate eliminations and other at December 31, 2013 is primarily comprised of cash and cash equivalents which were used to complete the Wireless Transaction on February 21, 2014.

We generally account for intersegment sales of products and services and asset transfers at current market prices. No single customer accounted for more than 10% of our total operating revenues during the years ended December 31, 2013, 2012 and 2011. International operating revenues and long-lived assets are not significant.

Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income. Significant changes in the components of Other comprehensive income, net of provision for income taxes are described below.

Accumulated Other Comprehensive Income

The changes in the balances of Accumulated other comprehensive income by component are as follows:

(dollars in millions)	Foreign currency translation adjustments	Unrealized gain on cash flow hedges	Unrealized gain on marketable securities	Defined benefit pension and postretirement plans	Total
Balance at January 1, 2013	$ 793	$ 88	$ 101	$ 1,253	$ 2,235
Other comprehensive income	60	50	33	–	143
Amounts reclassified to net income	–	(25)	(17)	22	(20)
Net other comprehensive income	60	25	16	22	123
Balance at December 31, 2013	**$ 853**	**$ 113**	**$ 117**	**$ 1,275**	**$ 2,358**

The amounts presented above in net other comprehensive income are net of taxes and noncontrolling interests, which are not significant. For the year ended December 31, 2013, the amounts reclassified to net income related to defined benefit pension and postretirement plans in the table above are included in Cost of services and sales and Selling, general and administrative expense on our consolidated statements of income. For the year ended December 31, 2013, all other amounts reclassified to net income in the table above are included in Other income, net on our consolidated statements of income.

Foreign Currency Translation Adjustments

The change in Foreign currency translation adjustments during 2013, 2012 and 2011 was primarily related to our investment in Vodafone Omnitel N.V. and was primarily driven by the movements of the U.S. dollar against the Euro.

Net Unrealized Gains (Losses) on Cash Flow Hedges

During 2013, 2012 and 2011, Unrealized gains (losses) on cash flow hedges included in Other comprehensive income (loss) attributable to noncontrolling interests, primarily reflect activity related to a cross currency swap (see Note 9). Reclassification adjustments for gains (losses) realized in net income were not significant.

Net Unrealized Gains (Losses) on Marketable Securities

During 2013, 2012 and 2011, reclassification adjustments on marketable securities for gains (losses) realized in net income were not significant.

Defined Benefit Pension and Postretirement Plans

The change in Defined benefit pension and postretirement plans at December 31, 2013 was not significant.

The change in Defined benefit pension and postretirement plans of $0.9 billion, net of taxes of $0.6 billion at December 31, 2012 was primarily a result of plan amendments.

Additional Financial Information

The tables that follow provide additional financial information related to our consolidated financial statements

Income Statement Information

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Depreciation expense	$ 15,019	$ 14,920	$ 14,991
Interest costs on debt balances	3,421	2,977	3,269
Capitalized interest costs	(754)	(406)	(442)
Advertising expense	2,438	2,381	2,523

Balance Sheet Information

At December 31,	2013	2012
	(dollars in millions)	
Accounts Payable and Accrued Liabilities		
Accounts payable	$ 4,954	$ 4,454
Accrued expenses	3,954	4,529
Accrued vacation, salaries and wages	4,790	5,006
Interest payable	1,199	632
Taxes payable	1,556	1,561
	$ 16,453	$ 16,182
Other Current Liabilities		
Advance billings and customer deposits	$ 2,829	$ 3,554
Dividends payable	1,539	1,494
Other	2,296	1,357
	$ 6,664	$ 6,405

Cash Flow Information

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Cash Paid			
Interest, net of amounts capitalized	$ 2,122	$ 1,971	$ 2,629

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans including 24 6 million common shares issued from Treasury stock during 2012, related to dividend payments, which had an aggregate value of $1.0 billion

Commitments and Contingencies

In the ordinary course of business Verizon is involved in various commercial litigation and regulatory proceedings at the state and federal level Where it is determined, in consultation with counsel based on litigation and settlement risks that a loss is probable and estimable in a given matter, the Company establishes an accrual In none of the currently pending matters is the amount of accrual material An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings, including (1) uncertain damage theories and demands (2) a less than complete factual record, (3) uncertainty concerning legal theories and their resolution by courts or regulators, and (4) the unpredictable nature of the opposing party and its demands We continuously monitor these proceedings as they develop and adjust any accrual or disclosure as needed We do not expect that the ultimate resolution of any pending regulatory or legal matter in future periods, including the Hicksville matter described below, will have a material effect on our financial condition, but it could have a material effect on our results of operations for a given reporting period

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Verizon is currently involved in approximately 50 federal district court actions alleging that Verizon is infringing various patents Most of these cases are brought by non-practicing entities and effectively seek only monetary damages, a small number are brought by companies that sell products and seek injunctive relief as well These cases have progressed to various degrees and a small number may go to trial in the coming 12 months if they are not otherwise resolved In the third quarter of 2012, we settled a number of patent litigation matters, including cases with ActiveVideo Networks Inc (ActiveVideo) and TiVo Inc (TiVo) In connection with the settlements with ActiveVideo and TiVo we recorded a charge of $0 4 billion in the third quarter of 2012 and will pay and recognize over the following six years an additional $0 2 billion

In connection with the execution of agreements for the sales of businesses and investments Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters such as ownership of the securities being sold, as well as indemnity from certain financial losses From time to time, counterparties may make claims under these provisions, and Verizon will seek to defend against those claims and resolve them in the ordinary course of business

Subsequent to the sale of Verizon Information Services Canada in 2004, we continue to provide a guarantee to publish directories, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions) The pre-existing guarantee continues without modification, despite the subsequent sale of Verizon Information Services Canada and the spin-off of our domestic print and Internet yellow pages directories business The possible financial impact of the guarantee which is not expected to be adverse, cannot be reasonably estimated as a variety of the potential outcomes available under the guarantee result in costs and revenues or benefits that may offset each other We do not believe performance under the guarantee is likely

As of December 31, 2013 letters of credit totaling approximately $0 1 billion which were executed in the normal course of business and support several financing arrangements and payment obligations to third parties, were outstanding

We have several commitments primarily to purchase handsets and peripherals, equipment, software, programming and network services, and marketing activities, which will be used or sold in the ordinary course of business, from a variety of suppliers totaling $33 4 billion Of this total amount, $19 7 billion is attributable to 2014 $8 8 billion is attributable to 2015 through 2016 $4 1 billion is attributable to 2017 through 2018 and $0 8 billion is attributable to years thereafter These amounts do not represent our entire anticipated purchases in the future, but represent only those items that are the subject of contractual obligations Our commitments are generally determined based on the noncancelable quantities or termination amounts Purchases against our commitments for 2013 totaled approximately $16 billion Since the commitments to purchase programming services from television networks and broadcast stations have no minimum volume requirement, we estimated our obligation based on number of subscribers at December 31, 2013, and applicable rates stipulated in the contracts in effect at that time We also purchase products and services as needed with no firm commitment

Quarterly Financial Information (Unaudited)

(dollars in millions, except per share amounts)

Quarter Ended	Operating Revenues	Operating Income (Loss)	Net Income (Loss) attributable to Verizon [1] Amount	Per Share-Basic	Per Share-Diluted	Net Income (Loss)
2013						
March 31	$ 29,420	$ 6,222	$ 1,952	$ 68	$ 68	$ 4,855
June 30	29,786	6,555	2,246	78	78	5,198
September 30	30,279	7,128	2,232	78	78	5,578
December 31	31,065	12,063	5,067	1 77	1 76	7,916
2012						
March 31	$ 28,242	$ 5,195	$ 1,686	$ 59	$ 59	$ 3,906
June 30	28,552	5,651	1,825	64	63	4,285
September 30	29,007	5,453	1,593	56	56	4,292
December 31	30,045	(3,169)	(4,229)	(1 48)	(1 48)	(1,976)

- Results of operations for the second quarter of 2013 include after-tax credits attributable to Verizon of $0 1 billion related to a pension remeasurement
- Results of operations for the third quarter of 2013 include immaterial after-tax credits attributable to Verizon related to a gain on a spectrum license transaction as well as immaterial after-tax costs attributable to Verizon related to the Wireless Transaction
- Results of operations for the fourth quarter of 2013 include after-tax credits attributable to Verizon of $3 2 billion related to severance, pension and benefit credits, as well as after-tax costs attributable to Verizon of $0 5 billion related to the Wireless Transaction
- Results of operations for the third quarter of 2012 include after-tax charges attributable to Verizon of $0 2 billion related to legal settlements
- Results of operations for the fourth quarter of 2012 include after-tax charges attributable to Verizon of $5 3 billion related to severance, pension and benefit charges and early debt redemption and other costs

[1] Net income (loss) attributable to Verizon per common share is computed independently for each quarter and the sum of the quarters may not equal the annual amount

EXHIBIT 21

Verizon Communications Inc. and Subsidiaries
Principal Subsidiaries of Registrant at December 31, 2013

Name	Jurisdiction of Organization
Verizon California Inc	California
Verizon Delaware LLC	Delaware
Verizon Florida LLC	Florida
Verizon Maryland LLC	Delaware
Verizon New England Inc	New York
Verizon New Jersey Inc	New Jersey
Verizon New York Inc	New York
Verizon Pennsylvania LLC	Delaware
GTE Southwest Incorporated (d/b/a Verizon Southwest)	Delaware
Verizon Virginia LLC	Virginia
Bell Atlantic Mobile Systems LLC	Delaware
Cellco Partnership (d/b/a Verizon Wireless)	Delaware
GTE Corporation	New York
GTE Wireless Incorporated	Delaware
MCI Communications Corporation	Delaware
Verizon Business Global LLC	Delaware
Cranberry Properties LLC	Delaware

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Verizon Communications Inc. (Verizon) of our reports dated February 27, 2014, with respect to the consolidated financial statements of Verizon and the effectiveness of internal control over financial reporting of Verizon, included in the 2013 Annual Report to Shareowners of Verizon.

Our audits also included the financial statement schedule of Verizon listed in Item 15(a). This schedule is the responsibility of Verizon's management. Our responsibility is to express an opinion based on our audits. In our opinion, as to which the date is February 27, 2014, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also consent to the incorporation by reference in the following registration statements of Verizon and where applicable, related Prospectuses, of our reports dated February 27, 2014, with respect to the consolidated financial statements of Verizon and the *effectiveness of internal control over financial reporting of Verizon, incorporated herein by reference*, and our report included in the preceding paragraph with respect to the financial statement schedule of Verizon included in this Annual Report (Form 10-K) for the year ended December 31, 2013: Form S-4, No. 333-11573, Form S-8, No. 333-41593, Form S-8, No. 333-50146, Form S-4, No. 333-76171, Form S-8, No. 333-76171, Form S-8, No. 333-53830, Form S-8, No. 333-82690, Form S-4, No. 333-124008, Form S-8, No. 333-124008, Form S-4, No. 333-132651, Form S-8, No. 333-169267, Form S-8, No. 333-172501, Form S-8, No. 333-172999, Form S-3, No. 333-182749, Form S-3, No. 333-190954 and Form S-4, No. 333-191628.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York
February 27, 2014

EXHIBIT 31.1

I, Lowell C. McAdam, certify that:

1. I have reviewed this annual report on Form 10-K of Verizon Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Francis J. Shammo, certify that:

1. **I have reviewed this annual report on Form 10-K of Verizon Communications Inc.;**

2. **Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;**

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell C. McAdam, Chairman and Chief Executive Officer of Verizon Communications Inc. (the Company), certify that:

(1) the report of the Company on Form 10-K for the annual period ending December 31, 2013 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: February 27, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Francis J. Shammo, Executive Vice President and Chief Financial Officer of Verizon Communications Inc. (the Company) certify that:

(1) the report of the Company on Form 10-K for the annual period ending December 31, 2013 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: February 27, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99

Selected Corporate Governance and Executive Compensation Information Included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014

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Business Conduct and Ethics

Verizon is committed to operating our business with the highest level of integrity, responsibility and accountability. We have adopted a Code of Conduct that applies to all employees, including the Chief Executive Officer (CEO), the Chief Financial Officer and the Controller. The Code of Conduct describes each employee's responsibility to conduct business with the highest ethical standards and provides guidance in preventing, reporting and remediating potential compliance violations in key areas. Directors are expected to act in compliance with the spirit of the Code of Conduct, as well as comply with the specific ethical provisions of the Corporate Governance Guidelines. We have posted the Code of Conduct on the Corporate Governance section of our website at www.verizon.com/investor. You can also obtain a copy by writing to the Assistant Corporate Secretary at the address given under "Contacting Verizon."

The Board is strongly predisposed against waiving any of the business conduct and ethics provisions applicable to Directors or executive officers. In the event of a waiver, we will promptly disclose the Board's action on our website.

Related Person Transaction Policy

The Board has adopted the Related Person Transaction Policy that is included in the Guidelines, which can be found in Appendix A. The Corporate Governance and Policy Committee reviews transactions involving Verizon and any of our Directors or executive officers or their immediate family members to determine if any of the individual participants has a material interest in the transaction. Based on the facts and circumstances of each case, the Committee may approve, disapprove, ratify or cancel the transaction or recommend another course of action. Any member of the Committee who is involved in a transaction under review cannot participate in the Committee's decision about that transaction.

From time to time Verizon may have employees who are related to our executive officers or Directors. Francis J. Shammo, Executive Vice President and Chief Financial Officer, has a brother-in-law who is employed by one of the Company's subsidiaries and earned approximately $358,000 in 2013. W. Robert Mudge, President – Consumer and

Mass Business Markets, has a brother who is employed by one of the Company's subsidiaries and earned approximately $126,000 in 2013. In each case, the amount of compensation was commensurate with that of other employees in similar positions.

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Independence

Verizon's Corporate Governance Guidelines require that a substantial majority of the members of the Board be independent Directors. The Guidelines establish standards for evaluating the independence of each Director. A Director is considered independent if the Board finds that the Director is independent under the NYSE's and Nasdaq's governance standards and the additional standards included in the Guidelines, which identify the types of relationships that, if material, would impair a Director's independence. The standards set monetary thresholds at which the Board would consider the relationships to be material. To determine that a Director is independent, the Board must find that a Director does not have any relationship that is likely to impair his or her ability to act independently. The Board makes this determination by evaluating the facts and circumstances for each Director.

The Corporate Governance and Policy Committee conducts an annual review of the independence of members of the Board and its Committees and reports its findings to the full Board. Based on the recommendation of the Corporate Governance and Policy Committee, the Board has determined that the 10 incumbent non-employee Directors who are standing for election are independent: Shellye Archambeau, Richard Carrion, Melanie Healey, M. Frances Keeth, Robert Lane, Donald Nicolaisen, Clarence Otis, Jr., Rodney Slater, Kathryn Tesija and Gregory Wasson. The Board also determined that Sandra Moose, Joseph Neubauer and Hugh Price, who are retiring from the Board in April 2014 and are not standing for re-election, are independent.

In determining the independence of Mr. Carrion, Ms. Healey, Mr. Neubauer, Mr. Otis, Mr. Price, Mr. Slater, Ms. Tesija and Mr. Wasson, the Board considered payments for telecommunications services and solutions that the companies that employ them made to Verizon. In determining Mr. Neubauer's independence, the Board also considered payments that Verizon made under a competitively bid contract for food and facility management services to the company that employs him. In determining Ms. Tesija's independence, the Board also considered payments that Verizon made to the company that employs her in connection with sales of Verizon's products and services in that company's stores. In determining Mr. Wasson's independence, the Board also considered payments for workers' compensation prescription benefits that Verizon made to the company that employs him. In applying the independence standards, the independent Directors have determined that these general business transactions and relationships are not material and do not impair the ability of those Directors to act independently.

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- ***Audit Committee***

Members Donald Nicolaisen Chairperson
M Frances Keeth
Sandra Moose
Clarence Otis, Jr
Gregory Wasson

The Board has determined that each member of the Committee is an audit committee financial expert and meets the independence requirements of applicable laws, the NYSE, Nasdaq and the Guidelines

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SHELLYE L. ARCHAMBEAU

Ms. Archambeau, 51, is Chief Executive Officer of MetricStream, Inc., a leading provider of governance, risk, compliance and quality management solutions to corporations across diverse industries. Under her leadership, the privately-held MetricStream has grown 2,500% over the past ten years, with approximately 1,000 employees worldwide. Prior to joining MetricStream in 2002, Ms. Archambeau was Chief Marketing Officer and Executive Vice President of Sales for Loudcloud, Inc., a leader in Internet infrastructure services, Chief Marketing Officer of NorthPoint Communications and President of Blockbuster Inc.'s e-commerce division. Before joining Blockbuster, she held domestic and international executive positions during a 15-year career at IBM.

Ms. Archambeau brings to the Board, among other skills and qualifications, leadership experience in technology, e-commerce, digital media and communications. An active participant in Silicon Valley's emerging company community, her in-depth knowledge of the technology sector and extensive background in the application of emerging technologies to address business challenges uniquely position her to advise the Board and senior management on implementing the Company's growth strategies. Ms. Archambeau's experience developing and marketing telecommunications and Internet services and solutions gives her insight into areas critical to Verizon's success.

Ms. Archambeau has served as a Director of Verizon since December 2013. In the past five years, she has served on the board of Arbitron, Inc.

RICHARD L. CARRIÓN

Mr. Carrión, 61, has served for over 18 years as Chairman, President and Chief Executive Officer of both Popular, Inc., a diversified bank holding company, and Banco Popular de Puerto Rico, Popular Inc.'s principal bank subsidiary. Popular, Inc. is the largest financial institution based in Puerto Rico, with consolidated assets of $36 billion, total deposits of $27 billion and 8,059 employees as of December 31, 2012. In addition to his experience guiding these companies, Mr. Carrión has been a class A director of the Federal Reserve Bank of New York since 2008. In that role, he contributes to the formulation of monetary policy, oversight of the bank's operational risk management and the review and appointment of senior management of the bank.

As a result of his tenure as Chairman, President and Chief Executive Officer of Popular, Inc. and Banco Popular de Puerto Rico, Mr. Carrión brings to the Board a strong operational and strategic background and extensive business, leadership and management experience. In addition, Mr. Carrión's knowledge of business and consumer services gives him insights into providing services to retail and business customers, activities that make up a significant portion of Verizon's business. Mr. Carrión's experience at the Federal Reserve Bank of New York also enables him to advise the Board and senior management on risk management, which is an important area for a large, complex organization like Verizon.

Mr. Carrión has served as a Director of Verizon since 1997 and was a director of NYNEX Corporation from 1995 to 1997. He is Chairperson of the Finance Committee and a member of the Corporate Governance and Policy Committee and the Human Resources Committee.

MELANIE L. HEALEY

Ms. Healey, 52, is Group President – North America and Global Hyper-Market, Super-Market and Mass Channel of The Procter & Gamble Company, a provider of branded consumer packaged goods to customers in over 180 countries around the world. In this role, Ms. Healey is responsible for the overall North America business, which in fiscal 2013 had net sales of $32.8 billion. Since joining Procter & Gamble in 1990, Ms. Healey has held positions of increasing responsibility including Group President, Global Feminine and Health Care, and President, Global Feminine Care & Adult Care.

Ms. Healey brings to the Board, among other skills and qualifications, an extensive background in consumer goods marketing and international operations. Her experience in marketing, including more than 15 years outside the United States, uniquely positions Ms. Healey to advise the Board and senior management on critical issues facing Verizon, including corporate strategy with respect to brand management, the consumer experience and global growth. In addition, Ms. Healey's leadership experience at a complex international organization with a large, diverse workforce gives her a thorough understanding of the operational challenges facing Verizon.

Ms. Healey has served as a Director of Verizon since 2011 and is a member of the Human Resources Committee.

M. FRANCES KEETH

Ms. Keeth, 67, was Executive Vice President of Royal Dutch Shell plc, an energy company, from 2005 to 2006. In this role, Ms. Keeth was accountable for Shell's global chemicals businesses, which produced $36.3 billion in third party revenue in 2006 and operated in 35 countries. From 2001 to 2006, she was also President and Chief Executive Officer of Shell Chemicals LP, Shell's U.S. operating company through which it conducted all of its operations in the United States. During her 37-year career, Ms. Keeth held multiple positions of increasing responsibility at Shell, including serving as Executive Vice President, Finance and Business Systems, and Executive Vice President, Customer Fulfillment and Product Business Units. In addition, from 1996 to 1997, Ms. Keeth was controller and principal accounting officer of Mobil Corporation.

Ms. Keeth's extensive senior leadership experience at Shell, a complex global business organization, positions her well to advise the Board and senior management on a wide range of strategic and financial matters. Ms. Keeth brings to the Board, among other skills and qualifications, valuable business leadership and operations management experience in a global, capital-intensive business. As a result of this experience, she is able to provide insights into many aspects of our business, including business systems, public accounting and finance. Ms. Keeth also has extensive expertise in international operations and strategic partnerships, which assists the Company in implementing our growth strategies.

Ms. Keeth has served as a Director of Verizon since 2006 and is a member of the Audit Committee, the Human Resources Committee, and the Finance Committee. She is also a director of Arrow Electronics, Inc. (since 2004) and, in the past five years, she has served as a director of Peabody Energy Corporation.

ROBERT W. LANE

Mr. Lane, 64, served as Chairman and Chief Executive Officer of Deere & Company from 2000 to 2009. Deere & Company is an equipment manufacturer that in fiscal 2009 had net sales and revenues of $23.1 billion and approximately 51,300 employees as of October 31, 2009. During his 28 years at Deere, Mr. Lane held positions of increasing responsibility across a wide variety of domestic and overseas units. These positions included serving as President and Chief Operating Officer of the company, President of the Worldwide Agricultural Equipment Division, Chief Financial Officer of the company and President and Chief Operating Officer of Deere Credit, Inc.

Mr. Lane's tenure as Chairman and Chief Executive Officer of Deere & Company and as a senior executive in several of its business units provides him with valuable business, leadership and management experience, including experience leading a large, complex organization with global operations. This background gives him a global perspective that positions him well to advise the Board and senior management on implementing the Company's growth strategies. Mr. Lane also brings to the Board an extensive background in manufacturing, marketing, operations and finance.

Mr. Lane has served as a Director of Verizon since 2004 and is a member of the Finance Committee. He is also a director of General Electric Company (since 2005) and Northern Trust Corporation (since 2009) and a member of the supervisory board of BMW AG (since 2009). In the past five years, Mr. Lane has served on the board of Deere & Company as its Chairman.

LOWELL C. MCADAM

Mr. McAdam, 59, is Chairman and Chief Executive Officer of Verizon Communications Inc. Mr. McAdam became Chief Executive Officer on August 1, 2011 and Chairman on January 1, 2012. From October 2010 until becoming Chief Executive Officer, Mr. McAdam served as President and Chief Operating Officer and had responsibility for the operations of the Company's network-based businesses–Verizon Wireless and Verizon Telecom and Business–as well as Verizon's shared services operations. Prior to assuming this role, Mr. McAdam held key executive positions at Verizon Wireless from its inception in 2000 and was instrumental in building Verizon Wireless into an industry-leading wireless provider. He was President and Chief Executive Officer of Verizon Wireless from 2007 until 2010, and before that served as the company's Executive Vice President and Chief Operating Officer. Before the formation of Verizon Wireless, Mr. McAdam held executive positions with PrimeCo Personal Communications, a joint venture owned by Bell Atlantic and Vodafone AirTouch. AirTouch Communications and Pacific Bell.

Mr. McAdam brings to the Board a unique understanding of our strategies and operations through his broad experience in the telecommunications industry and his pivotal role in the development of Verizon Wireless. Mr. McAdam serves a key leadership role on the Board, providing the Board with an in-depth knowledge of the Company's business, industry, challenges and opportunities. His extensive leadership experience enables Mr. McAdam to play a key role in all matters involving our Board and positions him well to act not only as the Board's Chairman, but also as the principal intermediary between management and the independent members of our Board.

Mr. McAdam has served as a Director of Verizon since 2011. Mr. McAdam has been a member of the Board of Representatives of Verizon Wireless since 2003 and has served as its Chairman since 2010.

DONALD T. NICOLAISEN

Mr. Nicolaisen, 69, was Chief Accountant of the U.S. Securities and Exchange Commission from 2003 to 2005. In that role, Mr. Nicolaisen was responsible for establishing and enforcing accounting and auditing policy applicable to all U.S. reporting companies and for improving the professional performance of public company auditors. Prior to joining the SEC, he was a Partner in PricewaterhouseCoopers and its predecessors, which he joined in 1967. At PricewaterhouseCoopers, Mr. Nicolaisen served on the firm's global and international boards, led the firm's national office for accounting and SEC services from 1988 to 1994, led the firm's financial services practice, and was responsible for auditing and providing risk management advice to large, complex multinational firms.

Mr. Nicolaisen brings to the Board a range of experience in leadership positions in both the public and private sector. His extensive experience as Chief Accountant at the SEC, an outside strategic advisor to multinational companies and a senior leader of one of the world's largest accounting firms enables him to advise the Board and senior management on accounting matters, government relations and public policy. Mr. Nicolaisen's unique financial and accounting background also provides financial expertise to the Board, including an in-depth understanding of risk management, corporate finance and accounting, as well as the numerous issues facing a public reporting company.

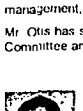
Mr. Nicolaisen has served as a Director of Verizon since 2005 and is Chairperson of the Audit Committee and a member of the Corporate Governance and Policy Committee. He is also a director of MGIC Investment Corporation (since 2006), Morgan Stanley (since 2006) and Zurich Insurance Group (since 2006).

CLARENCE OTIS, JR.

Mr. Otis, 57, has been Chairman of Darden Restaurants, Inc., a restaurant holding company, since 2005 and Chief Executive Officer since 2004. Darden Restaurants is the largest company-owned and operated full-service restaurant company in the world. As of May 26, 2013, the company's 206,000 employees operated 2,138 restaurants in the United States and Canada and generated fiscal 2013 sales of $8.5 billion. Mr. Otis joined Darden in 1995 as Vice President and Treasurer and held positions of increasing responsibility, including serving as Chief Financial Officer from 1999 until 2002, Executive Vice President from 2002 to 2004 and President of Smokey Bones Barbeque & Grill, a restaurant concept formerly owned and operated by Darden Restaurants, from 2002 to 2004. In addition, Mr. Otis has served as a class B director of the Federal Reserve Bank of Atlanta since 2010. In that role, he contributes to the formulation of monetary policy, oversight of the bank's operational risk management and the review and appointment of senior management of the bank.

Mr. Otis brings to the Board, among other skills and qualifications, a broad background in consumer services, retail operations and finance, which are critical areas for Verizon. He has extensive business leadership and management experience. Mr. Otis leads a complex organization with a large, diverse workforce, which gives him a thorough understanding of many of the operational challenges Verizon faces. In addition, as a result of his experience at the Federal Reserve Bank of Atlanta, Mr. Otis is positioned well to advise the Board and senior management on risk management, which is an important area for a large, complex organization like Verizon.

Mr. Otis has served as a Director of Verizon since 2006 and is a member of the Audit Committee, the Finance Committee and the Human Resources Committee. He is also a director of VF Corporation (since 2004).



RODNEY E. SLATER

Mr. Slater, 59, is a partner at the law firm Patton Boggs LLP, focusing his practice in the areas of transportation and infrastructure and public policy. Prior to joining Patton Boggs, from February 1997 to January 2001, Mr. Slater was the U.S. Secretary of Transportation. In that position, Mr. Slater was responsible for overseeing national transportation policy, encouraging intermodal transportation, negotiating international transportation agreements and assuring the fitness of U.S. airlines. Prior to his appointment as Secretary of Transportation, from 1993 to 1997, Mr. Slater was the Administrator of the Federal Highway Administration, which provides financial and technical support for constructing, improving and preserving the U.S. highway system.

Mr. Slater's experience as the U.S. Secretary of Transportation and as the Administrator of the Federal Highway Administration positions him well to provide oversight to our Company, which operates in a highly regulated industry, and to advise the Board and senior management on logistics, strategic partnerships, government relations and public policy. Each of these areas is an important focus for Verizon and has a fundamental impact on the way the Company operates. Mr. Slater also brings to the Board his experience guiding clients in developing infrastructure, as well as insights on the role of law in our business.

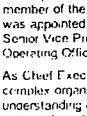
Mr. Slater has served as a Director of Verizon since 2010 and is a member of the Corporate Governance and Policy Committee. He is also a director of Kansas City Southern (since 2001), Transurban Group (since 2009) and Atkins plc (since 2011). In the past five years, Mr. Slater has served as a director of Delta Air Lines, Inc. and ICx Technologies, Inc.

KATHRYN A. TESIJA

Ms. Tesija, 51, is Executive Vice President, Merchandising and Supply Chain and a member of the Executive Committee of Target Corporation, the second largest discount retailer in the United States with 1,782 stores, revenues of $70.0 billion and approximately 365,000 employees in fiscal 2012. In this role, which she has held since 2008, Ms. Tesija oversees all merchandising functions, including product design and development, sourcing, inventory management, merchandising systems, presentation and operations as well as the company's global supply chain. Ms. Tesija joined Target in 1986 and was appointed to numerous positions of increasing responsibility at the company, ranging from Director, Merchandise Planning to Senior Vice President, Hardlines Merchandising.

As a result of her long tenure at Target, Ms. Tesija has gained broad business and leadership experience. Along with her significant management skills, Ms. Tesija brings to the Board an in-depth knowledge of the retail industry, expertise in leading the complex, large-scale, global retail functions of merchandising and supply chain and significant insight into consumer behavior, which give her a thorough understanding of many important issues facing Verizon. Her extensive background positions Ms. Tesija well to advise the Verizon Board and senior management on implementing the Company's strategies.

Ms. Tesija has served as a Director of Verizon since December 2012 and is a member of the Corporate Governance and Policy Committee.



GREGORY D. WASSON

Mr. Wasson, 55, is President and Chief Executive Officer of Walgreen Co., the nation's largest retail drugstore chain, which in fiscal 2013 had $72.2 billion of net sales, 8,582 locations and 240,000 employees. In June 2012, Walgreens announced a strategic partnership with Alliance Boots, the leading pharmacy-led health and beauty group across Europe with a presence in more than 25 countries. Mr. Wasson has served as President and Chief Executive Officer and as a member of the board of directors of Walgreens since 2009. A registered pharmacist, he joined the company in 1980 and was appointed to positions of increasing responsibility, including President of Walgreens Health Initiatives in 2002, Senior Vice President of Walgreens in 2004, Executive Vice President of Walgreens in 2005 and President and Chief Operating Officer of Walgreens in 2007.

As Chief Executive Officer of Walgreens, Mr. Wasson has gained valuable operational and management experience at a complex organization with a large, diverse workforce and significant global operations, which gives him a thorough understanding of the challenges facing Verizon in implementing our growth strategies. Mr. Wasson brings to the Board an in-depth knowledge of the retail industry and insight into the consumer experience. In addition, his extensive background in the healthcare industry positions Mr. Wasson well to advise the Board and senior management on an area of increasing importance to Verizon's evolving business strategy.

Mr. Wasson has served as a Director of Verizon since March 2013 and is a member of the Audit Committee and the Human Resources Committee.

Ratification of Appointment of Independent Registered Public Accounting Firm
(Item 2 on Proxy Card)

The Audit Committee of the Board considered the performance and qualifications of Ernst & Young LLP, and has reappointed the independent registered public accounting firm to examine the financial statements of Verizon for the fiscal year 2014 and to examine the effectiveness of internal control over financial reporting Ernst & Young has been retained as Verizon's Independent Registered Public Accounting Firm since 2000

Verizon paid the following fees to Ernst & Young for services rendered during fiscal years 2013 and 2012

	2013	2012
Audit fees	$ 24 6 million	$23 9 million
Audit-related fees	$ 4 6 million	$3 3 million
Tax fees	$4 0 million	$3 8 million
All other fees	$1 1 million	$0 7 million

Audit fees include the financial statement audit, the audit of the effectiveness of the Company's internal control over financial reporting required by the Sarbanes-Oxley Act of 2002, as well as financial statement audits required by statute for our foreign subsidiaries or by regulatory agencies in the United States Audit-related fees primarily include audits of other subsidiaries employee benefit plan audits, reviews of controls over services provided to customers, as well as other audit and due diligence procedures performed in connection with acquisitions or dispositions Tax fees primarily consist of federal, state, local and international tax planning and compliance All other fees primarily consist of support services to certain Verizon expatriate employees The Committee considered, in consultation with management and the independent registered public accounting firm, whether the provision of these services is compatible with maintaining the independence of Ernst & Young

The Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to perform audit services In order to assure continuing auditor independence, the Committee periodically considers whether there should be a regular rotation of the independent registered public accounting firm The Committee ensures that the mandated rotation of the independent registered public accounting firm's personnel occurs routinely and is directly involved in the selection of Ernst & Young's lead engagement partner

The Committee has established policies and procedures regarding pre-approval of services provided by the independent registered public accounting firm and is responsible for the audit fee negotiations associated with the engagement of the independent registered public accounting firm At the beginning of the fiscal year, the Committee pre-approves the engagement of the independent registered public accounting firm to provide audit services based on fee estimates. The Committee also pre-approves proposed audit-related services, tax services and other permissible services, based on specified project and service details, fee estimates, and aggregate fee limits for each service category The Committee receives a report at each meeting on the status of services provided or to be provided hy the independent registered public accounting firm and the related fees and all fees are approved

The affirmative vote of a majority of the shares cast at the annual meeting is required to ratify the reappointment of Ernst & Young for the 2014 fiscal year The Committee believes that the continued retention of Ernst & Young to serve as Verizon's independent registered public accounting firm is in the best interests of Verizon and its shareholders If this appointment is not ratified by the shareholders, the Committee will reconsider its decision

One or more representatives of Ernst & Young will be at the 2014 Annual Meeting of Shareholders They will have an opportunity to make a statement and will be available to respond to appropriate questions.

The Board of Directors recommends that you vote FOR ratification.

Compensation Committee Report

The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management Based on such review and discussions, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the Compensation Discussion and Analysis in this proxy statement and the Company's Annual Report on Form 10-K

Respectfully submitted,

Human Resources Committee

Joseph Neubauer, Chairperson
Richard Carrión
Melanie Healey
M Frances Keeth
Clarence Otis, Jr
Gregory Wasson

Dated February 25, 2014

Compensation Discussion and Analysis

The Human Resources Committee of the Board of Directors oversees the development and implementation of the total compensation program for Verizon s named executive officers Throughout this discussion and analysis of compensation, we refer to the Board of Directors as the Board and the Human Resources Committee as the Committee

For 2013, Verizon's named executive officers were

Lowell C McAdam	Chairman and Chief Executive Officer
Daniel S. Mead	Executive Vice President and President and Chief Executive Officer – Verizon Wireless
Francis J Shammo	Executive Vice President and Chief Financial Officer
John G Stratton	Executive Vice President and President – Verizon Enterprise Solutions
Randal S Milch	Executive Vice President – Public Policy and General Counsel

Executive Summary

Verizon's strategy is to build on the strength of our network as a platform for future growth and innovation To that end, in 2013 we focused on the growing areas of our business – mobility, broadband, video, cloud services and security We also passed a strategic milestone, entering into a transaction that would give us sole ownership of Verizon Wireless, which we expect to enable us to better leverage our assets and capabilities across our business going forward Under the leadership of our management team, our solid execution on our strategic initiatives and our disciplined focus on our financial objectives delivered strong results in 2013 These included

Performance Metric [1]	2013 Result	Change from 2012
Adjusted EPS	$2 84	26 8%
Total Revenue	$120.6B	4 1%
Free Cash Flow	$22 2B	45 1%
Return on Equity	23 6%	654 bps

[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures can be found in Appendix C to this proxy statement.

As discussed in greater detail below, based on Verizon's strong financial performance in 2013 and total shareholder return over the past three years, the 2013 short-term incentive award was paid at 110% of its targeted level and the performance stock units granted in connection with the 2011-2013 long-term incentive award vested at the 100% level.

Summary of Executive Compensation Program and Practices

Our commitment to adopting industry-leading compensation and governance practices is reflected in the design of our compensation program. Some of these elements include

Pay-for-Performance

Approximately 90% of our named executive officers' annual total compensation opportunity is variable, at risk and incentive-based The primary components of our executive compensation program and their approximate percentage of the total compensation opportunity are as follows

- 90% variable, incentive-based pay – comprised of an annual cash incentive based on achievement of pre-established performance goals and a long-term incentive in the form of an equity-based award that vests after three years and is composed of PSUs and RSUs
- 10% fixed pay – annual cash base salary

In addition, the compensation program does not include other forms of fixed non-performance related pay such as guaranteed pension and supplemental retirement benefits

Benchmarking Total Compensation

The Committee benchmarks each executive's total compensation opportunity against a single peer group referred to as the Related Dow Peers and described beginning on page 32 and in Appendix B The Committee references the 50 th percentile of the Related Dow Peers for total compensation opportunity, with further consideration given to the tenure and overall level of responsibility of a particular executive

Evaluation of Potential Linkage between Compensation and Risk Taking

When reviewing the compensation program and the performance metrics used under the program the Committee considers the impact of the compensation program on the Company's risk profile The Committee believes that Verizon's compensation program has been structured to provide strong incentives for executives to appropriately balance risk and reward consistent with the Company s enterprise business risk management efforts

Shareholder Outreach Program

At the request of the Committee, management and the Committee's compensation consultant, Pearl Meyer & Partners (the Consultant), engage in a semiannual shareholder outreach program with certain institutional investors to discuss the design and operation of Verizon s executive compensation program Management and the Consultant provide a report to the Committee on the results of that outreach The Committee believes this program provides opportunities for shareholders to provide input on Verizon's executive compensation program and policies in addition to the annual say-on-pay vote

The Role of Shareholder Say-on-Pay Votes and Shareholder Outreach

The Company provides its shareholders with the opportunity to cast an annual advisory vote on executive compensation (say on-pay) At the Company's Annual Meeting of Shareholders held in May 2013, approximately 88% of the votes cast on the say-on-pay proposal were voted in favor of the proposal The Committee considered this vote as demonstrating strong shareholder support for the Company s executive compensation programs

Based on the shareholders strong support for the Company s say on pay proposal in 2013 as well as in each of the preceding years that a say-on-pay vote has been held and the discussions with the Company's investors during the semiannual shareholder outreach program described above, the Company continued to apply the same effective principles and philosophies highlighted above and described more fully below that have been applied in prior years when making compensation decisions for 2013

Role of Benchmarking and Peer Group Selection

The Committee believes that it is appropriate to use the same peer group to benchmark executive pay opportunities and to evaluate Verizon s relative stock performance under its long-term incentive plan For this

purpose, the Committee uses a single peer group that includes the 29 companies (other than Verizon) in the Dow Jones Industrial Average, plus Verizon's four largest industry competitors that are not included in the Dow Jones Industrial Average This group is referred to as the Related Dow Peers. The Committee believes that this group of companies, comprised of similarly-sized companies based on market capitalization, net income, revenue and total employees that are included in an established and recognizable index, as well as Verizon's four other largest industry competitors, is appropriate for the dual purpose of benchmarking executive pay opportunities and evaluating relative stock performance under the long-term incentive plan because the companies in the Related Dow Peers represent Verizon's primary competitors for executive talent and investor dollars Moreover, this peer group is self-adjusting so that changes in the companies included in the Dow Jones Industrial Average are also reflected in the Related Dow Peers over time For this reason, the Committee believes that the Related Dow Peers provides a consistent measure of Verizon's performance and makes it easier for shareholders to evaluate, monitor and understand Verizon's compensation program

To determine whether the compensation opportunities for executives are appropriate and competitive the Committee compares each named executive officer s total compensation opportunity – which represents the aggregate total amount of the executive s base salary and target award amounts under the short-term and long-term incentive plans – to the total compensation opportunities for executives in comparable positions at peer companies The Committee generally references the 50 th percentile of the Related Dow Peers for total compensation opportunity, although the total compensation opportunity may be above or below the 50 th percentile depending upon the tenure and overall level of responsibility of a particular executive The Committee believes that this is an appropriate targeted level of total compensation opportunity because of Verizon's emphasis on performance-based incentive pay and Verizon s size relative to the Related Dow Peers Actual total compensation may fall above or below the targeted percentile based on annual and long-term performance results

Appendix B to this proxy statement includes a chart that lists the companies included in the Related Dow Peers for 2013 compensation purposes, their market capitalization as of December 31 2013, as reported by Bloomberg, and their net income attributable to the company, revenue and total number of employees, as of each company's most recent fiscal year-end as reported in SEC filings

Compensation Objectives and Elements of Compensation

Compensation Objectives

Verizon's compensation program is designed to

- Align executives' and shareholders' interests through the use of performance-based compensation and
- Attract retain and motivate high-performing executives

To promote a performance-based culture that further links the interests of management and shareholders, the Committee has developed a compensation program that

- focuses extensively on variable, performance-based compensation, with fixed compensation in the form of base salary constituting only approximately 10% of each executive s total compensation opportunity, and
- does not include such fixed compensation elements as guaranteed defined benefit pension and supplemental pension benefits

In establishing the mix of incentive pay used in the Company's pay-for-performance program, the Committee balances the importance of meeting the Company s short-term business goals with the need to create shareholder value over the longer term To help ensure that the interests of executives remain closely aligned with the interests of shareholders target long-term compensation opportunities represent more than twice the target compensation opportunities related to short-term performance

Additionally, the Company s compensation program features three-year long-term incentive awards, including PSUs subject to both performance-based and time-based vesting requirements and to encourage high-performing executives to remain with the Company RSUs that vest based on the executive s continued employment through the end of the three-year performance cycle

Elements of Compensation

In setting total compensation at competitive levels, the Committee determines the appropriate balance between

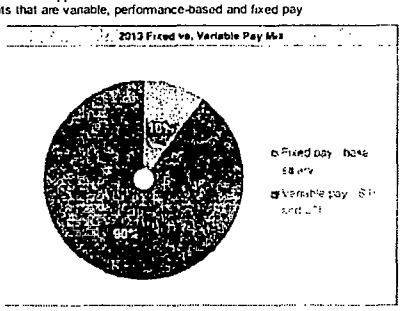
- Fixed and variable pay elements,
- Short- and long-term pay elements, and
- Cash and equity-based pay elements

The following table illustrates the principal elements of Verizon's executive compensation program

Pay Element	Characteristics	Primary Objective
Base salary	Annual fixed cash compensation	Attract and compensate high-performing and experienced executives
Short-term incentive opportunity (STI)	Annual variable cash compensation based on the achievement of annual performance measures	Incentivize executives to achieve challenging short-term performance goals
Long-term incentive opportunity (LTI)	Long-term variable equity awards granted annually as a combination of PSUs and RSUs	Align executives' interests with those of shareholders to grow long-term value and retain executives

As discussed above, the Committee references the 50th percentile of the Related Dow Peers to benchmark the total compensation opportunity of each of our named executive officers. However, the Committee does not benchmark each element of a named executive officer's total compensation opportunity. Instead, consistent with the Committee's emphasis on a performance-based culture, the Committee has determined that a substantial majority of each named executive officer's total compensation opportunity should be variable and performance-based. Accordingly, the Committee determined in its business judgment to allocate approximately 10% of each executive's total compensation opportunity in the form of base salary, approximately 15% to 25% in the form of short-term incentive, and approximately 65% to 75% in the form of long-term incentive.

The following chart illustrates the approximate allocation of the named executive officers' total compensation opportunity for 2013 between elements that are variable, performance-based and fixed pay



The named executive officers are also eligible to receive medical, disability and savings plan benefits that are generally provided to all management employees, as well as certain other benefits that are described under "Other Elements of the Total Compensation Program" beginning on page 40.

2013 Annual Base Salary

To determine an executive's base salary, the Committee, in consultation with the Consultant, reviews the competitive pay practices of the Related Dow Peers for comparable positions and considers the scope of the executive's responsibility and experience. In particular, the Committee focuses on how base salary levels may impact the market competitiveness of an executive's total compensation opportunity. The Committee also discusses its assessment of the other named executive officers with the CEO. Based on its assessment, the Committee approved a base salary increase in 2013 of 12.5% for Mr. Mead, 10.7% for Mr. Shammo, 7.4% for Mr. Stratton and 3.1% for Mr. Mitch. The base salary levels of the named executive officers were adjusted with the goal of providing a total compensation opportunity that more closely approximates the 50th percentile for comparable executives within the Related Dow Peers, with approximately 10% of each named executive officer's total compensation opportunity provided in the form of base salary. In 2013 the independent members of the Board approved an increase of 7.1% for Mr. McAdam. This is the first base salary increase that Mr. McAdam has received since 2010 when he was promoted to the position of President and Chief Operating Officer of Verizon.

2013 Short-Term Incentive Compensation

The Verizon Short-Term Incentive Plan, which is referred to as the Short-Term Plan, motivates executives to achieve challenging short-term performance goals. Each year, the Committee establishes the potential value of the opportunities under the Short-Term Plan, as well as the performance targets required to achieve these opportunities.

The Committee sets the values of the Short-Term Plan award opportunities as a percentage of an executive's base salary. The applicable percentage for each named executive officer is based on the scope of the executive's responsibilities and on the competitive pay practices of the Related Dow Peers. These award opportunities are established at threshold, target and maximum levels. The Short-Term Plan award opportunities at the threshold, target and maximum levels for each of the named executive officers are shown in the Grants of Plan-Based Awards table on page 46.

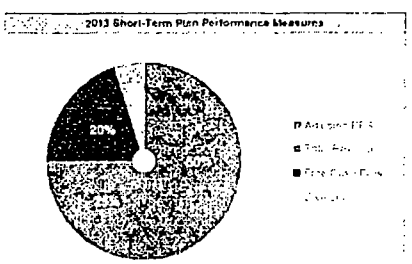
The following chart shows the 2013 Short-Term Plan target award opportunity for each of the named executive officers

Named Executive Officer	2013 Short-Term Plan Target Award Opportunity ($)
Mr. McAdam	3,750,000
Mr. Mead	990,000
Mr. Shammo	852,500
Mr. Stratton	797,500
Mr. Mitch	737,000

The 2013 target award opportunities for our named executive officers, expressed as a percentage of base salary, did not increase from the target levels established for their 2012 award opportunities. Whether, and the extent to which, the named executive officers earn the targeted Short-Term Plan award is determined based on whether Verizon achieves performance measures established by the Committee at the beginning of the year.

Determination of Annual Performance Measures

The Committee reviews and establishes the performance measures for the Short-Term Plan on an annual basis to help ensure that the program design appropriately motivates executives to achieve challenging financial and operational performance goals. In the first quarter of 2013, the Committee reviewed and approved the following annual financial and operating performance measures for all corporate executives, including the named executive officers, and ascribed to each the weighting shown below as the percentage of the total Short-Term Plan award opportunity at target level performance.



Consistent with 2012, the Committee based the Short-Term Plan award opportunities for all corporate executives including the named executive officers, primarily on three Company-wide financial performance measures, as determined by specific goals for adjusted EPS, revenue and free cash flow. These three measures were selected to reflect the Company's strategic goals of encouraging profitable operations, overall growth in the Company and efficient use of capital. The Committee believes that these performance measures are appropriate to incentivize the Company's executives to achieve outstanding short-term results and, at the same time, help build long-term value for shareholders.

Adjusted EPS. The Committee also views adjusted EPS as an important indicator of Verizon's success. The Committee assigns the greatest weight to adjusted EPS in determining awards under the Short-Term Plan, because it is broadly used and recognized by investors as a significant indicator of Verizon's ongoing operational performance and is a clearly defined indicator of the Company's profitability. Adjusted EPS excludes non-recurring and non-operational items, including but not limited to impairments and gains and losses from discontinued operations, business combinations, changes in accounting principles, the net impact of pension and post-retirement benefit costs, extraordinary items and restructurings. As a result, adjusted EPS is not positively or negatively impacted from period to period by these types of items, so the Committee believes it better reflects the relative success of the Company's ongoing business.

Revenue. The Committee also views achievement of consolidated total revenue goals as an important indicator of the Company's growth and success in managing its capital investments. This measure also reflects the level of penetration of Verizon's products and services in key markets.

Free Cash Flow. The Committee views consolidated free cash flow as another important indicator of Verizon's success in delivering shareholder value, because investors often consider free cash flow as part of their equity valuation models. Free cash flow is determined by subtracting capital expenditures from cash flow from operations. The Committee believes that this type of cash flow measure is relevant for Verizon because Verizon's businesses require significant capital investment, and the level of free cash flow reflects how efficiently a business is managing its capital expenditures. Free cash flow also provides an indication of the amount of cash that the Company has available to return to shareholders in the form of dividends and to reduce its outstanding debt, both of which we consider to be important goals.

Diversity. The Company is committed to promoting diversity among its employees and to recognizing and encouraging the contribution of diverse business partners to the Company's success. To reflect that important commitment, the 2013 performance measures also include a diversity measure. For 2013, the Committee determined that the diversity target would be measured for these purposes by the percentage of new hires and promotions at and above the manager level consisting of minority and female candidates and the levels of supplier spending at the corporate level with minority- and female-owned or operated firms.

The value of the Short-Term Plan award opportunity with respect to each performance measure varies depending on the Committee's assessment of the Company's performance with respect to that measure. The Committee also has the discretion to modify awards based on other factors that it deems appropriate.

In addition, under the Short-Term Plan no awards may be paid if Verizon's return on equity for the plan year, calculated based on adjusted net income (ROE), does not exceed 8%, even if some or all of the other performance measures are achieved.

2013 Annual Performance Measures

The 2013 annual performance measures for all corporate executives, including the named executive officers, were

- An adjusted EPS target range of $2.52 to $2.66,
- A consolidated total revenue target range of $121.4 billion to $122.0 billion,
- A consolidated free cash flow target range of $20.8 billion to $22.4 billion, and
- A diversity target of (i) having 50% of new hires and promotions at and above the manager level consist of minority and female candidates, and (ii) directing at least 10% of the overall supplier spending at the corporate level to minority- and female-owned or operated firms.

2013 Company Results and Annual Performance Awards

In 2013, Verizon reported generally strong results. Verizon's 2013 results 1 included

- ROE of 23.6%,
- Adjusted EPS of $2.84, which exceeded the target range,
- Consolidated total revenue of $120.6 billion, which was just below the target range,
- Consolidated free cash flow of $22.2 billion, which was within the target range, and
- Diversity in new hires and promotions above target performance and supplier spending above target performance.

After considering the level of performance with respect to each performance measure, and applying its business judgment based on its assessment of the level of achievement of each goal individually and collectively, the Committee and, for Mr. McAdam, the independent members of the Board, determine the final Short-Term Plan awards at a percentage of the target level for all participants. For 2013, the payout percentage was determined to be 110% of the target level for all corporate executives. The following table shows the amount of the Short-Term Plan awards paid to each named executive officer.

Named Executive Officer	Actual 2013 Short-Term Plan Award ($)
Mr. McAdam	4,125,000
Mr. Mead	1,089,000
Mr. Shammo	937,750
Mr. Stratton	877,250
Mr. Mitch	810,700

[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures may be found in Appendix C to this proxy statement.

Long-Term Incentive Compensation

The Verizon Long-Term Incentive Plan, which is referred to as the Long-Term Plan, is intended to reward participants for the creation of long-term shareholder value over a three-year period and further link executives' interests to shareholders' interests. In considering the appropriate duration of the performance cycle under the Long-Term Plan, the Committee believes that it is important to establish a period that is longer than one year in order to meaningfully evaluate the performance of long-term strategies and the effect on value created for shareholders. Based on this consideration, the Committee determined that a three-year performance cycle for the Long-Term Plan awards was appropriate.

Consistent with the three prior award cycles, the 2013 PSUs are payable in cash and the 2013 RSUs are payable in Verizon shares. The Committee believes that paying PSUs in cash and RSUs in shares creates an appropriate balance between the potential shareholder dilution from paying awards in shares and cash flow considerations, and that both types of awards further align executives' interests with those of Verizon's shareholders as the ultimate values of the awards are based on the value of Verizon's common stock. In addition, paying the 2013 RSU awards in shares is consistent with Verizon's policy of requiring a significant level of equity ownership by our named executive officers.

The value of each PSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in PSUs. The dividend equivalents are only paid to the extent that PSUs are vested and earned. The Committee determines an executive's total compensation opportunity by assuming that he or she will earn 100% of the PSUs initially awarded in any performance cycle. However, the number of PSUs that are actually earned and paid is determined based on Verizon's achievement of the pre-established performance goals over the three-year performance cycle. The final value of each PSU is based on the closing price of Verizon's common stock on the last trading day of the year that the performance cycle ends. As a result, awarding PSUs provides a strong incentive to executives to deliver value to Verizon's shareholders.

On the date the long-term incentive is awarded, the Committee also establishes the number of RSUs that may be earned based on the executive's continued employment with the Company through the end of the three-year award cycle as reflected in the award agreement. The value of each RSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in RSUs. The dividend equivalents are only paid to the extent that the RSUs vest. The 2013 RSU awards are payable in shares at the end of the three-year award cycle and provide both a retention incentive and a performance incentive as the value of the award depends on Verizon's stock price. The Committee determines an executive's total compensation opportunity by assuming he or she will earn 100% of the RSUs awarded.

2013 Long-Term Plan Award Opportunities

Consistent with the 2012 awards, for 2013, each of the named executive officers received 60% of their 2013 Long-Term Plan award opportunity in the form of PSUs and 40% of their award opportunity in the form of RSUs. Two-thirds of the PSUs are eligible to vest based on Verizon's relative TSR performance and one-third is eligible to vest based on Verizon's cumulative free cash flow. This allocation reflects the Committee's focus on encouraging both outstanding relative TSR performance and free cash flow creation and the retention of the Company's highly-qualified executive team.

The Committee generally establishes an executive's Long-Term Plan target award opportunity as a percentage of the executive's base salary. The Long-Term Plan target award opportunity for each of the named executive officers in 2013 was 625% of base salary for Mr. McAdam, 525% of base salary for Messrs. Mead, Shammo and Stratton and 500% of base salary for Mr. Milch. The target award opportunities for the named executive officers increased over their 2012 target award opportunities solely as a result of their base salary increases identified above (*i.e.*, their target award opportunities, expressed as a percentage of their base salaries, did not change). The Committee determined that these award levels were appropriate so that each executive's target annual Long-Term Plan award opportunity would constitute a significant portion of the executive's benchmarked total compensation opportunity consistent with the objectives of the Company's pay-for-performance program. The target award opportunity for an executive is allocated between PSUs and RSUs as noted above, and the target award opportunity allocated to each type of award is converted into a target number of shares using the closing price of Verizon's common stock on the grant date.

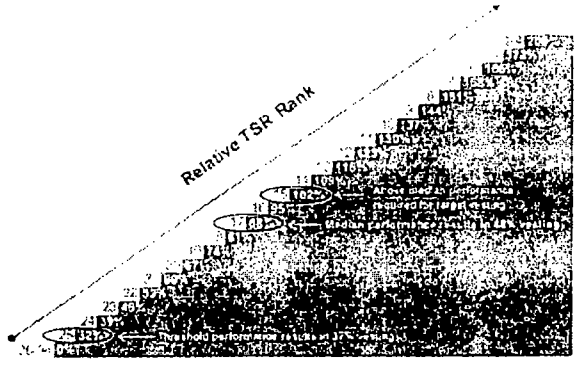
The following table shows the target value of the awards granted to the named executive officers during 2013 in connection with the annual long-term incentive compensation opportunity. Additional detail regarding the 2013 PSU awards, including the performance requirements, follows the table.

Named Executive Officer	2013 Long-Term Plan Target Award Opportunity ($)
Mr. McAdam	9,375,000
Mr. Mead	4,725,000
Mr. Shammo	4,068,750
Mr. Stratton	3,806,250
Mr. Milch	3,350,000

Terms of 2013 PSU Awards

Two-thirds of the number of PSUs awarded are eligible to vest based on Verizon's TSR as compared to the TSRs of the companies in the Related Dow Peers, as constituted on the grant date of the award, over the 2013-2015 performance cycle. One-third of the number of PSUs awarded is eligible to vest based on Verizon's cumulative free cash flow over the 2013-2015 performance cycle compared against the performance targets established by the Committee at the beginning of the performance cycle.

TSR Metric. With respect to PSUs that vest based on relative TSR performance (TSR PSUs), the following chart shows the percentage of the TSR PSUs awarded for the 2013-2015 performance cycle that will vest based on Verizon's relative TSR positioning compared with the companies in the Related Dow Peers.



Verizon's TSR during the three-year performance cycle must rank at least 15th, or at the 58th percentile, among the Related Dow Peers in order for 100% of the target number of TSR PSUs to vest. Similarly, the maximum number of TSR PSUs (200% of target) will vest only if Verizon's TSR during the three-year performance cycle ranks among the top four companies in the Related Dow Peers, which corresponds to the 91st percentile or higher. If Verizon's TSR during the three-year performance cycle ranks below 25th, or below approximately the 27th percentile of the companies in the Related Dow Peers, none of the TSR PSUs will vest.

Free Cash Flow Metric. The percentage of PSUs awarded for the 2013-2015 performance cycle that will vest based on Verizon's cumulative free cash flow (FCF) (referred to as FCF PSUs) will be determined based on the extent to which

Verizon's cumulative FCF over the performance cycle meets or exceeds the cumulative FCF

performance levels that were established by the Committee at the beginning of the performance cycle. FCF is determined by subtracting capital expenditures from cash flow from operations, and is subject to adjustment to eliminate the financial impact of significant transactions, changes in legal or regulatory policy and other extraordinary items.

At the end of the performance cycle, the number of FCF PSUs that will vest, if any, will be determined by comparing the actual performance of the Company against the performance objectives. The cumulative FCF target for the 2013-2015 performance cycle was set at a level that the Committee believes may be challenging in light of the economic environment, but attainable. The number of FCF PSUs that will vest will range from 0% if performance is below the threshold cumulative FCF level and up to 200% for performance at or above the maximum cumulative FCF level. The number of FCF PSUs that will vest in between threshold and maximum performance levels will be determined by linear interpolation between vesting percentage levels.

2011 PSU Awards Earned in 2013

With respect to the PSUs awarded in 2011, the Committee determined the number of PSUs that vested for a participant based on Verizon's TSR for the 2011-2013 three-year performance cycle relative to the TSRs of the Related Dow Peers as constituted on the date the award was granted. The following table shows the percentage of PSUs awarded for the 2011-2013 performance cycle that could vest based on a range of Verizon's relative TSR positioning compared with the companies in the applicable Related Dow Peers.

Verizon's Relative TSR Ranking Among the Companies in the Related Dow Peers	Corresponding Relative TSR Percentile Ranking Among the Companies in the Related Dow Peers	Percentage of Awarded PSUs that will Vest
1 – 4	91st to 100th	200%
5 – 8	79th to 88th	175%
9 – 12	67th to 76th	150%
13 – 16	55th to 64th	100%
17 – 21	39th to 52nd	75%
22 – 25	27th to 36th	50%
26 – 34	0 to 24th	0%

Over the three-year performance cycle ending on December 31, 2013, Verizon's TSR ranked 13th, or at the 64th percentile, when compared to the Related Dow Peers. As a result of this achievement, in early 2014 the Committee approved a payment to all participants, including the named executive officers, of 100% of the number of PSUs awarded for the 2011-2013 performance cycle, plus dividend equivalents credited on those PSUs that vested pursuant to the terms of the award. As a result, even though the Company achieved performance at the 64th percentile of the Related Dow Peers, the named executive officers only received the target number of PSUs granted, plus dividend equivalents.

Other Elements of the Total Compensation Program

The Company also provides the named executive officers with certain limited personal benefits as generally described below. None of the named executive officers is eligible for any tax gross-up payment in connection with any of these benefits, including with respect to the excise tax liability under Internal Revenue Code Section 4999 related to any Section 280G excess parachute payments.

Transportation

The Company provides certain aircraft and ground transportation benefits to enhance the safety and security of certain named executive officers. These transportation benefits, even when classified as a perquisite under applicable SEC rules, also serve business purposes as they frequently enhance the ability of the executive to attend to business matters while in transit. Additional information on Company-provided transportation is included in footnote 4 to the Summary Compensation Table on page 45.

Executive Life Insurance

The Company offers the named executive officers and other executives the opportunity to participate in an executive life insurance program in lieu of participation in the Company's basic and supplemental life insurance programs. The executives who elect to participate in the executive life insurance program own the life insurance policy, and the Company provides an annual cash payment to the executives to defray a portion of the annual premiums. Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45.

Financial Planning

The Company provides a voluntary Company-sponsored financial planning benefit program for the named executive officers and other executives. Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45.

Retirement Benefits

In 2006, the Committee determined that guaranteed pay in the form of pension and supplemental executive retirement benefits was not consistent with the Company's pay-for-performance culture. Accordingly, effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and supplemental defined benefit retirement plans. These legacy retirement benefits that were previously provided to Verizon's named executive officers are described in more detail under the section titled "Pension Plans" beginning on page 48.

During 2013, all of Verizon's named executive officers were eligible to participate in the Company's tax-qualified and nonqualified retirement savings plans. These plans are described in the section titled "Defined Contribution Savings Plans" beginning on page 50.

Severance and Change in Control Benefits

The Committee believes that maintaining a competitive level of separation benefits is appropriate as part of an overall program designed to attract, retain and motivate the highest quality management team. However, the Committee does not believe that named executive officers should be entitled to receive cash severance benefits merely because a change in control transaction occurs. Therefore, the payment of cash severance benefits is triggered only by an actual or constructive termination of employment.

The Company was not a party to an employment agreement with any of the named executive officers in 2013. All senior managers of the Company (including each of the named executive officers other than Mr. McAdam) are eligible to participate in the Verizon Senior Manager Severance Plan, which provides certain separation benefits to participants whose employment is involuntarily terminated without cause from the Company. Mr. McAdam is not eligible to participate in the Senior Manager Severance Plan and is not eligible for cash severance benefits upon a termination.

The Senior Manager Severance Plan is generally consistent with the terms and conditions of Verizon's broad-based severance plan that is provided to substantially all of Verizon's management employees other than senior managers. Under the Senior Manager Severance Plan, if a participant has been involuntarily terminated without cause or, in the case of a named executive officer, if the independent members of the Board determine that there has been a qualifying separation, the participant is eligible to receive a lump-sum cash separation payment equal to a multiple of his or her base salary and target short-term incentive opportunity, along with continuing medical coverage for the applicable severance period. To the extent that a senior manager is eligible for severance benefits under any other arrangement, that person will not be eligible for any duplicative benefits under the severance plan. The plan does not provide for any severance benefits based upon a change in control of the Company.

Under the plan, the named executive officers (other than Mr. McAdam) are eligible to receive a cash separation payment based on a formula equal to two times the sum of their base salary and target short-term incentive opportunity. Other senior manager participants are eligible to receive a cash separation payment based on a formula equal to between 0.75 and two times their base salary and target short-term incentive opportunity depending on their position at the time of their separation from employment. In order to be eligible for any severance benefits, participants must execute a release satisfactory to Verizon and agree not to compete or interfere with any Verizon business for a period of one year after their separation from employment.

Consistent with the Committee's belief that named executive officers should not be entitled to receive cash severance benefits merely because a change in control transaction occurs, the Long-Term Plan does not allow "single trigger" accelerated vesting and payment of outstanding awards in connection with a change in control of Verizon. Under the Long-Term Plan, if, in the twelve months following a change in control the participant's employment is terminated without cause, all then-unvested PSUs will fully vest at the target level performance, all then-unvested RSUs will fully vest and PSUs and RSUs (including accrued dividend equivalents) will become payable on the regularly scheduled payment date after the end of the applicable award cycle.

Selected Compensation Policies

Stock Ownership Guidelines

To further align the interests of Verizon's management with those of its shareholders, the Committee has approved guidelines that require each named executive officer and other executives to maintain certain stock ownership levels:

- The guidelines require the CEO to maintain share ownership equal to at least seven times his base salary and require the other named executive officers to maintain share ownership equal to at least four times their base salaries.
- Executives are also prohibited from short-selling or engaging in any financial activity where they would benefit from a decline in Verizon's stock price.

In determining whether an executive meets the required ownership level, the calculation includes any shares held by the executive directly or through a broker, shares held through the Verizon tax-qualified savings plan or the Verizon nonqualified savings plan and other deferred compensation plans and arrangements that are valued by reference to Verizon's stock. The calculation does not include any unvested PSUs or RSUs. Each of the named executive officers is in compliance with the stock ownership guidelines. None of the named executive officers has engaged in any pledging transaction with respect to shares of Verizon's stock.

Recovery of Incentive Payments

The Committee believes that it is appropriate that the Company's compensation plans and agreements provide for the termination or repayment of certain incentive awards and payments if an executive engages in certain fraudulent or other inappropriate conduct. Accordingly, the Committee has adopted a policy that enables the Company to claw back and cancel certain incentive payments received by an executive who has engaged in financial misconduct. The Committee reviews this policy from time to time and will refine the current policy to take into account changes in applicable law, including, for example, any changes that may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Shareholder Approval of Certain Severance Arrangements

The Committee has a policy of seeking shareholder approval or ratification of any new employment agreement or severance agreement with an executive officer that provides for a total cash value severance payment exceeding 2.99 times the sum of the executive's base salary plus Short-Term Plan incentive target opportunity. The policy defines severance pay broadly to include payments for any consulting services, payments to secure a non-compete agreement, payments to settle any litigation or claim, payments to offset tax liabilities, payments or benefits that are not generally available to similarly-situated management employees and payments in excess of, or outside, the terms of a Company plan or policy.

Tax and Accounting Considerations

Federal income tax law generally prohibits publicly-held companies from deducting compensation paid to a named executive officer (other than a chief financial officer) that exceeds $1 million during the tax year unless it is based upon attaining pre-established performance measures that are set by the Committee pursuant to a plan approved by the Company's shareholders. The Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of the Company and its shareholders including determining when to request shareholder approval of the Verizon incentive plans and when to award compensation that may not qualify for a tax deduction. The Committee considered the desirability of tax deductibility for performance-based executive compensation in determining to submit the Long-Term Plan to the shareholders for approval in 2013. Compensation paid to the named executive officers under the Short-Term Plan, as well as the PSUs

awarded under the Long-Term Plan, are generally intended to meet the performance-based exception for deductibility under the tax laws.

The Committee also considers the effect of certain accounting rules that apply to the various aspects of the compensation program available to the named executive officers. The Committee reviews potential accounting effects in determining whether its compensation actions are in the best interests of the Company and its shareholders. The Committee has been advised by management that the impact of the variable accounting treatment required for long-term incentive awards that are payable in cash (as opposed to fixed accounting treatment for awards that are payable in shares) will depend on future stock performance.

Committee Actions Taken After Fiscal Year 2013

On February 6, 2014, the Committee recommended, and the Board of Directors approved, compensation adjustments for Mr. McAdam, and the Committee approved compensation adjustments for Messrs. Mead, Shammo, Stratton and Milch. In making these decisions, the Committee, and in the case of Mr. McAdam, the Board, noted that the changes reflect Verizon's commitment to emphasizing performance-based incentive pay and compensating its executive officers at levels commensurate with Verizon's position in the market. For 2014, Mr. McAdam's target annual long-term incentive opportunity, expressed as a percentage of base salary, was increased from 625% to 750%, and the target annual short-term incentive opportunity for each of the named executive officers other than Mr. McAdam, expressed as a percentage of base salary, was increased from 110% to 150%. The base salaries of each of the named executive officers were increased as follows: for Mr. McAdam, 6.7%; for Mr. Mead, 5.6%; for Mr. Shammo, 6.5%; for Mr. Stratton, 10.3%; and for Mr. Milch, 8.2%. The base salary adjustments are effective March 2, 2014. No change was made to Mr. McAdam's target annual short-term incentive opportunity, and no change was made to the target annual long-term incentive opportunities for any of the named executive officers other than Mr. McAdam.

Compensation Tables

Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards [1] ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation [2] ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($) (h)	All Other Compensation [4] ($) (i)	Total ($) (j)
Lowell C. McAdam Chairman and CEO	2013	1,380,769	0	9,575,077	0	4,125,000	68,846	760,874	15,826,566
	2012	1,400,000	0	8,750,055	0	3,150,000	213,468	535,571	14,049,100
	2011	1,400,000	0	18,453,009	0	2,362,500	127,151	487,719	22,830,379
Daniel S. Mead Executive Vice President and President and CEO – Verizon Wireless	2013	880,769	0	4,725,020	0	1,089,000	159,644	286,634	7,141,067
	2012	794,231	0	4,700,076	0	782,000	288,056	225,253	6,396,606
	2011	725,000	0	3,806,256	0	734,000	175,217	229,103	5,669,443
Francis J. Shammo Executive Vice President and CFO	2013	760,577	0	4,008,783	0	937,750	10,475	163,476	5,941,061
	2012	698,077	0	3,675,003	0	693,000	9,004	139,841	5,214,925
	2011	675,000	0	3,543,775	0	683,438	4,499	144,351	5,051,063
John G. Stratton Executive Vice President and President – Verizon Enterprise Solutions	2013	715,385	0	3,806,297	0	877,200	37,128	139,433	5,575,493
	2012	673,558	0	3,543,756	0	668,250	31,776	143,629	5,061,009
Randal S. Milch Executive Vice President – Public Policy and General Counsel	2013	686,154	0	3,359,006	0	810,700	73,527	129,710	5,059,097
	2012	648,077	0	3,250,020	0	643,500	58,366	125,949	4,725,912
	2011	621,154	0	3,125,042	0	632,813	91,162	126,026	4,596,217

[1] The amounts in this column reflect the grant date fair value of the PSUs and RSUs computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date. The grant date fair value of PSUs granted to the named executive officers in the designated year as part of Verizon's annual long-term incentive award program and, in the case of Mr. McAdam, the special PSU award granted in 2011 in connection with his appointment to CEO, has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believed was most likely to be achieved under the grants on the grant date. The following table reflects the grant date fair value of these PSUs, as well as the maximum grant date fair value of these awards based on the closing price of Verizon's common stock on the grant date if, due to the Company's performance during the applicable performance cycle, the PSUs vested at their maximum level.

	Grant Date Fair Value of PSUs				Maximum Value of PSUs			
Name	2011 ($)	2011 Special Award ($)	2012 ($)	2013 ($)	2011 ($)	2011 Special Award ($)	2012 ($)	2013 ($)
Mr. McAdam	5,250,034	7,900,031	5,250,033	5,625,037	10,500,068	14,000,062	10,500,066	11,250,074
Mr. Mead	2,283,755	NA	2,520,038	2,835,012	4,567,510	NA	5,040,076	5,670,024
Mr. Shammo	2,126,265	NA	2,205,002	2,441,260	4,252,530	NA	4,410,004	4,882,520
Mr. Stratton	NA	NA	2,126,270	2,283,759	NA	NA	4,252,540	4,567,518
Mr. Milch	1,875,025	NA	1,950,012	2,010,004	3,750,050	NA	3,900,024	4,020,008

[2] The amounts in this column for 2013 reflect the 2013 Short-Term Plan award paid to the named executive officers in February 2014 as described on pages 34-37.

[3] The amounts in this column for 2013 reflect the above-market earnings on amounts held in nonqualified deferred compensation plans. Messrs. Shammo and Stratton are not eligible for pension benefits. For Messrs. McAdam, Mead and Milch, for 2013 there was a reduction in pension value of $233,803, $48,231 and $13,162, respectively, based on the applicable calculation formula. In accordance with SEC rules, because the aggregate change in the actuarial present value of the accumulated benefit under the defined benefit plans was a negative number for 2013, the amounts shown in this column for 2013 for Messrs. McAdam, Mead and Milch reflect above-market earnings only. Verizon's defined benefit plans were frozen as of June 30, 2006, and Verizon stopped all future benefit accruals under these plans as of that date. All accruals under the Verizon Wireless pension plan were frozen as of December 31, 2006.

[4] The following table provides the detail for 2013 compensation reported in the "All Other Compensation" column

Name	Personal Use of Company Aircraft [a] ($)	Personal Use of Company Vehicle [b] ($)	Company Contributions to the Qualified Savings Plan ($)	Company Contributions to the Nonqualified Deferral Plan ($)	Company Contributions to the Life Insurance Benefit [c] ($)	Other [d] ($)	All Other Compensation Total ($)
Mr McAdam	120,304	4 293	19,050	315 233	168,253	153 741	780 874
Mr Mead	0	0	19 050	104 241	144 444	18 899	286 634
Mr Shammo	14 462	0	19 712	92,637	31,665	10 000	163,476
Mr Stratton	0	0	19 050	83 184	27 199	10 000	139 433
Mr Milch	0	0	19 050	78,742	21 918	10,000	129 710

[a] The aggregate incremental cost of the personal use of a Company aircraft is determined by multiplying the total 2013 personal flight hours by the incremental aircraft cost per hour The incremental aircraft cost per hour is derived by adding the annual aircraft maintenance costs, fuel costs, aircraft trip expenses and crew trip expenses, and then dividing by the total annual flight hours

[b] The aggregate incremental cost of the personal use of a Company vehicle is determined by (i) calculating the incremental vehicle cost per mile by dividing the annual lease and fuel costs by the total annual miles, (ii) multiplying the total 2013 personal miles by the incremental vehicle cost per mile, and (iii) adding the incremental driver cost (the 2013 driver hours for personal use multiplied by the driver's hourly rate)

[c] Executive life insurance is available to executives on a voluntary basis Executives who choose to participate in this program are excluded from the basic and supplemental life insurance programs that Verizon provides to management employees. The executive owns the insurance policy and is responsible for paying the premiums However, Verizon pays each executive an amount, which is shown in this column, that is equal to a portion of the premium Executives who choose not to participate in the executive life insurance plan do not receive that payment. For all named executive officers the executive life insurance policy provides a death benefit equal to two times the sum of the executive's base salary plus his short-term incentive opportunity at 67% of target level if the executive dies before a designated date For Messrs McAdam, Mead, Shammo and Stratton, this date is the latest of the participant's retirement date, the date on which the participant reaches age 60 or the fifth anniversary of plan participation For Mr Milch, this date is the earlier of five years post-retirement or the date on which he reaches age 65.

[d] This column represents the total amount of other perquisites and personal benefits provided These other benefits consist of (i) for Mr McAdam, non-recurring expenses for home security, (ii) for Mr Mead financial planning services and personal travel, and (iii) for Messrs Shammo, Stratton and Milch, financial planning services The Company provides each of the named executive officers who elect to participate in the financial planning program with a financial planning benefit equal to the Company's payment for the services, up to $10,000 The aggregate incremental cost of personal travel for Mr. Mead is equal to the direct expense related to his spouse's attendance at a business event at the request of the Company These expenses include lodging, ground transportation, meals and other travel-related items

[5] As described in footnote 1, this amount includes the grant date fair value of the special equity award granted to Mr McAdam in 2011 in connection with his appointment to CEO, with 70% of the award opportunity in the form of PSUs and 30% in the form of RSUs, which may become payable after the completion of the five-year performance cycle ending July 31, 2016, provided that Mr. McAdam remains continuously employed, subject to the terms of the award agreements. The number of PSUs that will vest at the end of the five-year performance cycle will be determined based on Verizon's average annual ROE during the performance cycle, and to the extent the performance criteria is achieved, the final award will include dividend equivalents that accrue on the vested portion of the award No PSUs will vest unless Verizon's average annual ROE meets the minimum threshold of 10% If Verizon's average annual ROE meets the target percentage of 15%, 100% of the nominal number of the PSUs granted will vest A maximum of two times the nominal number of PSUs granted will vest if Verizon's average annual ROE is at least 20% If Verizon's average annual ROE during the five-year performance cycle is greater than 10% but less than 15%, or is greater than 15% but less than 20%, the Committee will determine the extent to which the PSUs will vest, provided that the vested percentage must be between 50% and 100% and between 100% and 200%, respectively. The award will be settled in shares of Verizon common stock, and Mr McAdam will be required to hold any shares he receives for at least two years following the vesting date unless he dies or becomes disabled.

Plan-Based Awards

The following table provides information about the 2013 awards granted under the Short-Term Plan and the Long-Term Plan to each named executive officer.

Grants of Plan-Based Awards

Name (a)	Type of Award [1]	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards [2] Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Estimated Future Payouts Under Equity Incentive Plan Awards [3] Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards Number of Shares of Stock or Units [4] (#) (i)	All Other Option Awards Number of Securities Underlying Options (#) (j)	Exercise or Base Price of Option Awards ($/Sh) (k)	Grant Date Fair Value of Stock and Option Awards [5] ($) (l)
Mr McAdam	STIP	—	1 875,000	3 750,000	5,625,000							
	PSU	3/8/2013				37 532	117 286	234 572				5 625,037
	RSU	3/8/2013							78 191			3 750 040
Mr Mead	STIP	—	495 000	990 000	1 485 000							
	PSU	3/8/2013				18 916	59,112	118 224				2 835 012
	RSU	3/8/2013							39 408			1 890 008
Mr Shammo	STIP	—	426 250	852,500	1,278 750							
	PSU	3/8/2013				16 289	50 902	101 804				2 441 260
	RSU	3/8/2013							33 935			1 627 523
Mr Stratton	STIP	—	398 750	797,500	1,196 250							
	PSU	3/8/2013				15 238	47 618	95 236				2 283,759
	RSU	3/8/2013							31 746			1 522 538
Mr Milch	STIP	—	368 500	737 000	1 105 500							
	PSU	3/8/2013				13 411	41,910	83 820				2 010 004
	RSU	3/8/2013							27 940			1 340 002

[1] These awards are described in the Compensation Discussion and Analysis on pages 34-39

[2] The actual amount awarded in 2013 was paid in February 2014 and is shown in column (g) of the Summary Compensation Table on page 44

[3] These columns reflect the potential payout range of PSU awards granted in 2013 to our named executive officers in accordance with the Company's annual long-term incentive award program, as described on pages 38-40 At the conclusion of the three-year performance cycle, payouts can range from 0% to 200% of the target number of units awarded based on Verizon's relative TSR position as compared with the Related Dow Peers and Verizon's cumulative free cash flow over the three-year performance cycle as described in more detail on pages 38-40 PSUs and the applicable dividend equivalents are paid only and to the extent that the applicable performance criteria for the award are achieved at the end of the award cycle. When dividends are distributed to shareholders, dividend equivalents are credited on the PSU awards in an amount equal to the dollar amount of dividends on the total number of PSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date.

[4] This column reflects the RSU awards granted in 2013 to the named executive officers in accordance with the Company's annual long-term incentive award program When dividends are distributed to shareholders, dividend equivalents are credited on the RSU awards in an amount equal to the dollar amount of dividends on the total number of RSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date.

[5] This column reflects the grant date fair value of each equity award computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date For PSUs, the grant date fair value has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believes is the most likely to be achieved under the grants.

Outstanding Equity Awards at Fiscal Year-End

Name (a)	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Awards: Equity Incentive Plan Awards Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Awards: Option Exercise Price ($) (e)	Option Awards: Option Expiration Date (f)	Stock Awards: Number of Shares or Units of Stock That Have Not Vested [1] (#) (g)	Stock Awards: Market Value of Shares or Units of Stock That Have Not Vested [2] ($) (h)	Stock Awards: Equity Incentive Plan Awards Number of Unearned Shares Units or Other Rights That Have Not Vested [3] (#) (i)	Stock Awards: Equity Incentive Plan Awards Market or Payout Value of Unearned Shares Units or Other Rights That Have Not Vested [4] ($) (j)	Grant Date
Mr McAdam	0	0	0	0	0	92 739	4 557 194	432 779	21 266 760	3/7/2011
						97 717	4 801 519	174 414	8 570 704	3/2/2012
						80 619	3 961 175	94 333	4 634 541	3/8/2013
Mr Mead	0	0	0	0	0	46 902	2 304 764	83 719	4 113 957	3/2/2012
						40 627	1 996 411	47 534	2 335 521	3/8/2013
Mr Shammo	0	0	0	0	0	41 638	2 046 667	73 254	3 599 782	3/2/2012
						34 585	1 699 563	40 532	2 011 358	3/8/2013
Mr Stratton	0	0	0	0	0	39 573	1 944 617	70 638	3 471 151	3/2/2012
						32 728	1 608 254	36 291	1 783 290	3/8/2013
Mr Milch	0	0	0	0	0	36 285	1 783 438	64 757	3 183 297	3/2/2012
						28 804	1 415 429	32 703	1 606 847	3/8/2013

[1] The annual 2012 and 2013 RSU awards vest on December 31, 2014 and December 31, 2015 respectively Mr McAdam's 2011 special RSU award vests on July 31, 2016 RSUs accrue quarterly dividends that are reinvested into the participant's account as additional RSUs and will be included in the final RSU payment if the awards vest This column includes dividend equivalent units that have accrued through December 31, 2013

[2] This column represents the value of the RSU awards listed in column (g) based on a share price of $49 14 the closing price of Verizon's common stock on December 31, 2013

[3] The annual 2012 and 2013 PSU awards vest on December 31 2014 and December 31, 2015, respectively Mr McAdam's 2011 special PSU award vests on July 31, 2016 PSUs accrue quarterly dividends that are reinvested into the participant's account as additional PSUs PSUs and the applicable dividend equivalents are paid if and to the extent that the applicable PSU award vests As required by SEC rules, the number of units in this column represents the 2012 PSU awards at a 119% vesting percentage, the 2013 PSU awards at a 78% vesting percentage, and Mr McAdam's 2011 special PSU Award at a 200% vesting percentage, in each case including accrued dividend equivalents through December 31 2013 that will be paid to the executives if the awards vest at the indicated levels

[4] This column represents the value of the PSU awards listed in column (i) based on a share price of $49 14, the closing price of Verizon's common stock on December 31 2013

Value Realized from Stock Options and Certain Stock-Based Awards

The following table reports the value realized from the vesting of the following stock-based awards for the named executive officers

- 2011 PSUs that vested on December 31, 2013, and
- 2011 RSUs that vested on December 31, 2013

The following table also reports the number of partnership value appreciation rights ("VARs") Mr McAdam exercised in 2013, which were granted to Mr McAdam on March 31 2004, by Verizon Wireless his employer on that date Mr McAdam exercised his VARs in December 2013 in connection with the impending expiration date of the 10 year term of the award and the expiration of the VAR program on March 31, 2014

In 2014, based on the Company's relative TSR as compared with the Related Dow Peers, the Committee approved a vested percentage of 100% of the target number of PSU awards granted for the 2011-2013 performance cycle for all participants, including the named executive officers The values of the 2011 PSU awards upon vesting for Mr McAdam Mr Mead, Mr Shammo, Mr Stratton and Mr Milch were $8,165 769, $3,552 093, $3 307 139 $2,799,689, and $2 916,366 respectively and the value of the 2011 RSUs upon vesting for Mr McAdam, Mr Mead Mr Shammo Mr Stratton and Mr Milch were $5 443,827 $2 368 062 $2 204,759, $1,866 497 and $1,944 244, respectively

Option Exercises and Stock Vested

Name (a)	Option Awards: Number of Shares Acquired on Exercise [1] (#) (b)	Option Awards: Value Realized on Exercise [1] ($) (c)	Stock Awards: Number of Shares Acquired on Vesting [2] (#) (d)	Stock Awards: Value Realized on Vesting [2] [3] ($) (e)
Mr McAdam	420,863	20,820,093	276,958	13,609,596
Mr Mead	0	0	120,475	5,920,155
Mr Shammo	0	0	112,167	5,511,898
Mr Stratton	0	0	94,957	4 666 186
Mr Milch	0	0	98 914	4 860 610

[1] The option awards listed for Mr McAdam represent VARs granted on March 31, 2004, by Verizon Wireless, his employer on that date The value realized on exercise represents the difference between $63 36, the value of the corresponding Verizon Wireless partnership rights on the date the rights were exercised, and $13 89, the exercise price for such rights The value of the Verizon Wireless partnership rights was determined by an independent third party valuation in November 2013 in accordance with the terms of the VARs and consistent with past practice

[2] The amounts include dividend equivalents that were credited on the PSU and RSU awards that vested on December 31 2013 in accordance with the terms of the awards The amounts in this column represent the number of shares acquired on vesting multiplied by $49 14, the closing price of Verizon's common stock on December 31, 2013

[3] The amounts in this column include $2,960,078 for Mr Mead and $466,619 for Mr Stratton that were deferred under the Verizon Executive Deferral Plan in 2014 when the amounts would have otherwise been paid

Pension Plans

Effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and nonqualified defined benefit pension plans All accruals under the Verizon Wireless defined benefit retirement plan (tax-qualified and nonqualified) were frozen as of December 31, 2006 Each of the named executive officers other than Messrs Shammo and Stratton is eligible for a frozen pension benefit

Verizon Management Pension Plan and Verizon Excess Pension Plan The Verizon Management Pension Plan is a tax-qualified defined benefit pension plan and the Verizon Excess Pension Plan is a nonqualified defined benefit pension plan Messrs Mead and Milch are eligible for benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan. Mr McAdam is not eligible for benefits under either of these plans because he was employed by Verizon Wireless prior to January 1, 2007. Under the Verizon Management Pension Plan and the Verizon Excess Pension Plan, the normal retirement age is age 65 with at least 5 years of service and the early retirement age for unreduced benefits is age 55 with 15 or more years of service and total age plus years of service equal to at least 75 Messrs Mead and Milch are eligible for early retirement benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan For Messrs Mead and Milch their benefit under the Verizon Excess Pension Plan is based on the cash balance formula noted below and each of them is vested in the benefit

Until June 30 2006 Mr Milch earned pension benefits under a cash balance formula that provided for retirement pay credits equal to between four and seven percent (depending on age and service) of annual eligible pay for each year of service Under the cash balance formula a participant's account balance is also credited with monthly interest based upon the prevailing market yields on certain U S Treasury obligations Eligible pay under the Verizon Management Pension Plan consisted of the employee's base salary and the short-term incentive award up to the IRS qualified plan compensation limit Pension benefits for all eligible pay in excess of the IRS limit were provided under the Verizon Excess Pension Plan based on the cash balance formula At the time that the tax-qualified and nonqualified pension plans were frozen to future pension accruals on June 30, 2006 plan participants were provided with a one-time additional 18 months of benefits as a transition matter

As a former employee of GTE Wireless Incorporated Mr Mead earned a pension benefit under the Verizon Management Pension Plan based on the better of two highest average pay formulas The first formula was based

on 1.35% of his average annual eligible pay for the five highest consecutive eligible years of service The second formula was based on eligible pay for the five highest consecutive eligible years of service and was integrated with social security, with a 1 15% accrual for eligible pay under the social security integration level and a 1 45% accrual above the social security integration level Both of these formulas were discontinued on May 31, 2004 for former GTE Wireless Incorporated employees employed by Verizon Wireless, and Mr Mead ceased to accrue a pension under those formulas on May 31, 2004 Effective October 23, 2005, Mr Mead transferred from Verizon Wireless to Verizon, and he started to again earn a pension under the better of (i) the 1.35% highest average pay formula or (ii) the cash balance formula. Mr. Mead's service with Verizon Wireless from June 1, 2004 through October 22, 2005 was excluded from any pension calculation. As noted above, accruals under the 1 35% highest average pay formula and cash balance formula were frozen effective June 30, 2006

At the time of Mr. Mead's transfer from Verizon Wireless to Verizon effective October 23 2005, the value of his nonqualified benefit was determined as a lump sum, and a nonqualified cash balance account was created under the Verizon Excess Pension Plan using this value as the opening balance as of November 1, 2005 Mr Mead earned retirement pay credits equal to 7% (based on age and eligible service) of annual eligible pay in excess of the pay cap for each year of service after October 23, 2005, including monthly interest credits As noted above, accruals under the nonqualified cash balance formula were frozen effective June 30, 2006

Verizon Wireless Retirement Plan In 2001, Verizon Wireless consolidated the pension plans of several predecessor companies under the Verizon Wireless Retirement Plan Mr McAdam is entitled to both a tax-qualified and a nonqualified pension benefit under this plan Mr McAdam's tax-qualified pension benefit was determined under two formulas (i) for the period from January 1, 2001 until May 31, 2004, a cash balance formula that provided pay credits equal to two percent of annual eligible pay up to the IRS compensation limit (under the cash balance formula a participant's account balance is also credited on an ongoing basis with interest credits based upon the 30-year Treasury bond), and (ii) a final average pay formula based on 24 years of service multiplied by 1.45% of Mr McAdam's average annual eligible pay for the five final consecutive years for each year of service through the end of 2006 The normal retirement age under the Verizon Wireless Retirement Plan is 65 The early retirement age (for unreduced benefits) under the plan is 55 Mr McAdam is eligible for unreduced early retirement benefits under the plan Mr McAdam's nonqualified plan benefit was determined using the 1 45% final average pay formula and was calculated based on 10 years of service and only included his eligible pay in excess of the IRS compensation limit through the end of 2006, at which time no further adjustments to eligible pay were recognized under the plan For Mr McAdam, eligible pay consisted of base salary and the short-term incentive award No participant under the plan was eligible for cash balance credits under the nonqualified portion of the plan

The following table illustrates the actuarial present value as of December 31, 2013 of pension benefits accumulated by the named executive officers, other than Messrs Shammo and Stratton who are not eligible for pension benefits

Pension Benefits

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit [1] ($) (d)	Payments During Last Fiscal Year ($) (e)
Mr. McAdam	Verizon Wireless Retirement Plan - Qualified	30	1,082,237	0
	Verizon Wireless Retirement Plan - Nonqualified	10 [2]	1 630,091	0
Mr Mead	Verizon Management Pension Plan	35	1,260 100	0
	Verizon Excess Pension Plan	8 [2]	3 427 986	0
Mr Milch	Verizon Management Pension Plan	20	167,319	0
	Verizon Excess Pension Plan	9 [2]	102,526	0

[1]The values are based on the assumptions for the actuarial determination of pension benefits as required by the relevant accounting standards as described in note 11 to the Company's consolidated financial statements for the year ended December 31, 2013, as included in the Company's 2013 Annual Report to Shareowners However, in accordance with the requirements for this table, the values are calculated using the executive's retirement at the

earliest age at which he can retire without having the retirement benefit reduced under the plan For Mr McAdam, the assumptions are generally the same as described above

[2]The years of credited service for each of Messrs. McAdam, Mead and Milch with respect to the applicable plan is less than the named executive officer's number of actual years of service with the Company. For Mr McAdam, the 10 years of credited service represents the period over which he earned a benefit in the nonqualified portion of the Verizon Wireless Pension Plan For Mr. Mead and Mr Milch, the 8 and 9 years of credited service represent the periods over which they earned a benefit in the Verizon Excess Pension Plan, respectively

Defined Contribution Savings Plans

The named executive officers are participants in the Company's tax-qualified defined contribution savings plan, the Verizon Management Savings Plan, which is referred to as the Savings Plan and its nonqualified defined contribution savings plan, the Verizon Executive Deferral Plan, which is referred to as the Deferral Plan The named executive officers participate in these plans on the same terms as other participants in these plans

Under the terms of the Savings Plan, participants are eligible to defer up to 16% of their eligible pay into the Savings Plan up to the IRS qualified plan compensation limit Verizon provides a matching contribution equal to 100% of the first 6% of eligible pay that any participant contributes to the Savings Plan Under the Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit, short-term incentive compensation and long-term incentive compensation Verizon provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the Deferral Plan Deferrals of long-term incentive compensation, such as PSUs and RSUs, are not eligible for Company matching contributions Participants in the Savings Plan and the Deferral Plan are eligible for an additional discretionary profit-sharing contribution of up to 3% of eligible pay, in the case of the Savings Plan, and eligible deferrals, in the case of the Deferral Plan In determining whether to make a profit-sharing contribution, the Committee uses the same criteria it uses to determine the short-term incentive award paid to employees at the corporate level For 2013, the discretionary contribution was 3 0%

Messrs McAdam, Mead, Shammo and Stratton were participants in the Verizon Wireless Executive Deferral Plan while they were employed at Verizon Wireless Under the Verizon Wireless Executive Deferral Plan a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit and short-term incentive compensation Verizon Wireless provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the plan Participants are eligible for an additional discretionary profit-sharing contribution to the Verizon Wireless Executive Deferral Plan of up to 3% of eligible pay and eligible deferrals In determining whether to make a profit-sharing contribution, the Verizon Wireless Human Resources Committee uses the same criteria used to determine the short-term incentive award paid to employees at the corporate level

Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may elect to invest their deferrals in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to all plan participants under the Savings Plan Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may generally elect to receive their benefits in a lump sum or installments, commencing on a separation from service or specific date elected by the participant.

Messrs Mead and Milch also have account balances under the Income Deferral Plan (referred to as the IDP) The IDP is a nonqualified deferred compensation plan that was the predecessor to the Deferral Plan. The IDP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004 Participants in the IDP no longer accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004 Participants retain the ability to invest their frozen accounts in the investment options available under the plan. Participants in the IDP do not receive matching contribution credits or retirement credits under the plan.

Messrs McAdam, Mead, Shammo and Stratton also have account balances under the Verizon Wireless Executive Savings Plan (referred to as the ESP) The ESP is a nonqualified deferred compensation plan that was the predecessor to the Verizon Wireless Executive Deferral Plan. The ESP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the ESP no longer

accrue any additional benefits other than market-based investment earnings or losses on their individual accounts No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the ESP. Participants in the ESP do not receive matching contribution credits or retirement credits under the plan.

The following table shows the 2013 account activity for each named executive officer and includes each executive's contributions, Company matching contributions, earnings, withdrawals and distributions and the aggregate balance of his total deferral account as of December 31, 2013

Nonqualified Deferred Compensation

Name (a)		Executive Contributions in Last FY [1] ($) (b)	Registrant Contributions in Last FY [2] ($) (c)	Aggregate Earnings in Last FY [3] ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE [4] ($) (f)
Mr McAdam	Verizon Executive Deferral Plan	262 546	315 233	511 477	0	5 416 347
	Verizon Wireless Executive Deferral Plan	0	0	20 004	0	457 760
	Verizon Wireless Executive Savings Plan	0	0	95 172	0	2,176,724
Mr Mead	Verizon Executive Deferral Plan	4,111 189	104 241	1 006 373	0	18,466 034
	Verizon Income Deferral Plan	0	0	12 648	0	289 423
	Verizon Wireless Executive Deferral Plan	0	0	82 594	0	1 890 019
	Verizon Wireless Executive Savings Plan	0	0	64 436	0	1,506 474
Mr Shammo	Verizon Executive Deferral Plan	71 915	92 637	901 553	0	3 511 306
	Verizon Wireless Executive Deferral Plan	0	0	6 085	0	139 253
	Verizon Wireless Executive Savings Plan	0	0	151 171	0	1 332 465
Mr Stratton	Verizon Executive Deferral Plan	395 023	83 164	491 071	0	3 674 118
	Verizon Wireless Executive Deferral Plan	0	0	232 975	0	2,250 558
	Verizon Wireless Executive Savings Plan	0	0	394 201	0	3 661 454
Mr Milch	Verizon Executive Deferral Plan	833 250	78 742	476 497	0	4 514 169
	Verizon Income Deferral Plan	0	0	416 420	0	5 314 501

[1]Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (c) and (j) for Mr McAdam, $73,546, for Mr Mead, $156 442, for Mr Shammo $30 335, for Mr Stratton $161 135, and for Mr Milch, $24 669

[2]The amounts listed in this column are also included in columns (i) and (j) of the Summary Compensation Table

[3]Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (h) and (j) for Mr McAdam, $64,886, for Mr Mead, $199 644, for Mr Shammo $10 475 for Mr Stratton, $37,128, and for Mr Milch, $73,527

[4]The aggregate amounts shown in columns (e) and (f) include the following amounts that were reported as compensation to the named executive officer in the Summary Compensation Table in previous proxy statements of the registrant

- For Mr McAdam, a total of $2 655,543 was reported (2008 to 2013),
- For Mr Mead, a total of $1,437 873 was reported (2011 to 2013),
- For Mr Shammo, a total of $479 446 was reported (2011 to 2013)
- For Mr Stratton a total of $469,484 was reported (2013), and
- For Mr. Milch, a total of $329,291 was reported (2012 to 2013)

Potential Payments upon Termination or Change in Control

The following summaries and tables describe and quantify the potential payments and benefits that would be provided to each of our named executive officers if a termination of employment or change in control of Verizon had occurred at the end of 2013 under Verizon's compensation plans and agreements

Payments Made upon Termination

Regardless of the manner in which a named executive officer's employment terminates, the executive is entitled to receive amounts earned during the term of employment. This includes amounts accrued and vested under our

pension plans and nonqualified deferred compensation plans, which are reported in the "Pension Benefits" and "Nonqualified Deferred Compensation" tables above. Those benefits are not included in the summaries and tables below

In addition, amounts earned under our 2013 Short-Term Plan awards and amounts earned under our 2011 Long-Term Plan awards are not included in the summaries or tables below Amounts earned under our 2013 Short-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 34-37 and are reported in the Summary Compensation Table on page 44. Amounts earned under our 2011 Long-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 38-40 and are reported in the Option Exercises and Stock Vested table on page 48. If a named executive officer's employment had terminated on December 31, 2013 for any reason other than for cause, the full amount of the 2013 Short-Term Plan award and the full amount of the 2011 Long-Term Plan awards in each case to the extent earned, would have been payable These amounts would be determined and payable at the same time as awards are determined and paid to participating employees generally under those plans In the event of a termination for cause, no amount would have been payable under these awards

Potential Payments upon Qualifying Separation or Involuntary Termination Without Cause

Mr McAdam As Chairman and CEO, Mr McAdam is not eligible to participate in the Senior Manager Severance Plan described below Mr McAdam is also not a party to an employment agreement with Verizon or any other agreement that would provide him with cash severance benefits in the event his employment is involuntarily terminated by Verizon without cause

Senior Manager Severance Plan Verizon provides severance benefits to certain employees including all of the named executive officers other than the Chairman and CEO, under its Senior Manager Severance Plan Under the plan, a named executive officer is eligible to receive severance benefits if he experiences a "qualifying separation" from Verizon, which is generally defined as an involuntary termination by Verizon without cause, a voluntary termination by the executive solely due to the executive's refusal to accept a qualifying reclassification or relocation (as those terms are defined in the plan) or a determination by the independent members of the Board that the named executive officer has incurred a qualifying separation A severance benefit, if triggered, is payable to an executive only if the executive executes a release of claims against Verizon in the form satisfactory to Verizon and agrees not to compete or interfere with any Verizon business for a period of one year after termination from employment and always to protect Verizon's trade secrets and proprietary information

If a named executive officer incurs a qualifying separation under the plan he is eligible to receive the following benefits. (i) a lump-sum cash separation payment equal to two times the sum of his base salary and target short-term incentive opportunity and (ii) continued medical dental and vision coverage for two years

In addition, if the executive's qualifying separation occurs prior to the last day of the year, the executive will receive a prorated Short-Term Plan award for the year in which the termination occurs, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are payable to participating employees generally under the plan To the extent that an executive also becomes eligible for severance benefits under any outstanding agreement plan or any other arrangement, the executive's cash severance payment under the Senior Manager Severance Plan will be reduced on a dollar-for-dollar basis by the amount or single-sum value of the severance benefits payable to the executive under such other agreement, plan or arrangement

Other Benefits Upon an involuntary termination of employment without cause, a named executive officer would also be eligible to receive financial planning and outplacement services for one year following termination on the same basis as provided to other senior executives However executives will only be entitled to receive financial planning services if they participate in the program in the year in which their employment terminates Mr McAdam did not participate in the financial planning program in 2013 and, as a result would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013 In addition, under the terms of the executive life insurance plan each named executive officer who is retirement eligible upon termination and who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs McAdam, Mead, Shammo and Stratton the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement, or (ii) in the case of Mr Milch, the later of the executive's attainment of age 65 or 15 years of plan participation Retirement eligibility is generally defined as

having attained 75 points (age plus years of service) with at least 15 years of service As of December 31, 2013, Mr Mead had attained plan maturity and would not have been entitled to receive any additional payments from Verizon with respect to this benefit if his employment had terminated on the last business day of 2013

Estimated Payments The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment been involuntarily terminated without cause or terminated for good reason on the last business day of 2013 and had incurred a qualifying separation under the Senior Manager Severance Plan

Name	Cash Separation Payment ($)	Continued Health Benefits 1 ($)	Outplacement Services ($)	Financial Planning 2 ($)	Executive Life Insurance Benefit 3 ($)
Mr McAdam	0	0	0	0	163 157
Mr Mead	3 780 000	24 700	14 500	10 000	0
Mr Shammo	3,255 000	37,057	14 500	10 000	182,534
Mr Stratton	3 045 000	37 057	14,500	10 000	181 859
Mr Mitch	2 814 000	37 057	14 500	10,000	134,853

1 The amounts reflect Verizon's estimated cost of providing medical, dental and vision coverage for two years

2 Mr McAdam did not participate in the financial planning program in 2013 and, as a result would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013

3 If Mr Mead had retired on December 31, 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date

Potential Payments upon Death, Disability or Retirement

Under the terms of the executive life insurance plan, in the event of disability or a qualifying retirement, a named executive officer who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs McAdam, Mead, Shammo and Stratton, the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement, or (ii) in the case of Mr Mitch, the later of the executive's attainment of age 65 or 15 years of plan participation. If the named executive officer dies, his beneficiary would be entitled to receive the proceeds of the life insurance policy owned by the executive, payable by the third-party issuer of the policy As of December 31, 2013 Mr Mead had attained plan maturity and was no longer eligible to receive any additional payments from Verizon with respect to this benefit if his employment had terminated on the last business day of 2013

Under the Short-Term Plan, if the named executive officer's employment terminates due to death, disability or a qualifying retirement prior to the last day of the year, the executive would be eligible for a prorated Short-Term Plan award for the year in which the termination date occurred, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are generally payable to participating employees under the plan. As described above, if the executive's employment terminates on the last day of the year for any reason other than for cause, the full amount of the Short-Term Plan award, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year, would have been payable.

In addition, upon death, disability or a qualifying retirement, each named executive officer would also be eligible to receive financial planning services for one year following termination on the same basis as provided to other senior executives, provided that they participated in the program in the year in which their employment terminates Upon disability, the named executive officers would also be eligible for disability benefits under the tax-qualified and nonqualified disability plans

Estimated Payments The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment terminated due to death, disability or qualifying retirement on the last business day of 2013

Name	Executive Life Insurance Benefit 1 ($)	Disability Benefit 2 ($)	Financial Planning 3 ($)
Mr McAdam			
Death	8,026 000	0	0
Disability	163 157	1,333,661	0
Retirement	163 157	0	0
Mr Mead			
Death	1,800 000	0	10,000
Disability	0	1 228 443	10 000
Retirement	0	0	10 000
Mr Shammo			
Death	2 694 000	0	10 000
Disability	182 534	420,677	10 000
Retirement	182 534	0	10 000
Mr Stratton			
Death	2 520 000	0	10 000
Disability	181 859	423,793	10 000
Retirement 4	0	0	0
Mr Mitch			
Death	2 328,000	0	10,000
Disability	134,853	1,768,505	10 000
Retirement	134,853	0	10 000

1 In the event of death, the amount represents the proceeds from the life insurance policy owned by the named executive officer, payable from the third-party issuer of the policy. In the event of disability or retirement, the amount if any, represents the total amount of annual payments to the named executive officer to pay a portion of the annual premium of the life insurance policy owned by him, provided that the named executive officer continues to pay the annual premiums pursuant to the terms of the executive life insurance program If Mr Mead had retired on December 31, 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date

2 Assumes that each named executive officer would be immediately eligible for long-term disability benefits from Verizon's qualified and nonqualified disability benefit plans Messrs Shammo and Stratton do not participate in the nonqualified portion of the disability benefit The assumptions used to calculate the value of the disability benefits include a discount rate of 5 0% and mortality and recovery based on the 1987 National Association of Insurance Commissioners Group Disability Table These rates represent the probability of death or recovery between the date of disability and the payment end date. The qualified portion of the disability benefit for Messrs. McAdam, Mead, Shammo, Stratton and Mitch is estimated at $445,974, $410,789, $420,677, $423,793 and $591,385, respectively, and the nonqualified portion of the disability benefit for Messrs McAdam, Mead and Mitch is estimated at $887,687, $817,654, and $1,177,120 respectively In order to receive the nonqualified portion of the disability benefit, the executive must pay the premium associated with the qualified portion of the benefit

3 Mr McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013

4 Mr Stratton would not have been entitled to receive executive life insurance benefits or financial planning benefits because he had not fulfilled the eligibility requirements for retirement under the terms of those programs on the last business day of 2013

Potential Payments upon Change in Control

Verizon does not maintain any plans or arrangements that provide for any named executive officer to receive cash severance or any other cash payments in connection with a change in control of Verizon. If the named executive officer's employment terminates in connection with or following a change in control, he would be eligible for the same benefits, if any, that would become payable to the executive upon his termination under the circumstances as described above. Under the Short-Term Plan, if a change in control occurs, all outstanding awards will vest and become payable on the regularly scheduled payment date

Equity Awards

As is the case for all participants under the terms of the Long-Term Plan and the applicable award agreements, upon an involuntary termination of employment without cause, death, disability or qualifying retirement, each named executive officer's then unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and each named executive officer's then unvested PSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle, but only if and to the extent that the applicable performance criteria for the award are achieved at the end of the applicable award cycle. However, Mr. McAdam's special PSU and RSU awards granted in 2011 will be forfeited if Mr McAdam retires prior to July 31, 2016. Under the Long-Term Plan, a qualifying retirement generally means to retire after having attained at least 15 years of vesting service (as defined under the applicable Verizon tax-qualified savings plan) and a combination of age and years of vesting service that equals or exceeds 75 points As of December 31, 2013, Messrs McAdam Mead Shammo and Mitch were retirement-eligible under the Long-Term Plan

In addition, under the terms of the Long-Term Plan and the applicable award agreements, if in the 12 months following a change in control of Verizon, a participant's employment is involuntarily terminated without cause all then unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and all then-unvested PSUs will vest at target level performance and be paid on the regularly scheduled payment date after the end of the applicable award cycle

Under the Long-Term Plan, a change in control of Verizon is generally defined as the occurrence of any of the following

- Any person becomes a beneficial owner of shares representing twenty percent or more of Verizon's outstanding voting stock,
- Verizon consummates a merger, consolidation, reorganization or any other business combination, or
- The Board adopts resolutions authorizing the liquidation or dissolution or sale of all or substantially all of the assets of Verizon

However, a change in control will not occur if

- The amount of Verizon voting stock outstanding immediately before the transaction represents at least forty-five percent of the combined voting power of the corporation that survives the transaction,
- Verizon Directors constitute at least one-half of the board of directors of the surviving corporation,
- Verizon's CEO is the CEO of the surviving corporation, and
- The headquarters of the surviving corporation is located in New York, New York

Estimated Payments The following table shows the estimated value of the payouts that the named executive officers could have received in respect of their outstanding unvested equity awards if any of the following events occurred on the last business day of 2013 (i) a change in control of Verizon without a termination of employment, (ii) a change in control of Verizon and an involuntary termination of employment without cause and (iii) a termination of employment as a result of an involuntary termination without cause, qualifying retirement, or death or disability The amounts represent the estimated value of the RSU and PSU awards granted in 2012 and 2013 and in addition for Mr. McAdam, his special 2011 PSU and RSU awards, that would have been payable pursuant to the terms of the award agreements, calculated using the total number of units (including accrued dividends) on the last business day of 2013 and $49 14, Verizon's closing stock price on that date, and for the PSUs, assuming the award would vest at target performance levels The actual amount payable under these awards can be determined only at the time the awards would be paid

Name	Change in Control Without Termination ($)	Change in Control And Termination Without Cause ($)	Termination Without Cause ($)	Retirement 1 ($)	Death or Disability ($)
Mr McAdam	0	37 097 305	37 097 305	21 995 710	37 097 305
Mr Mead	0	10 752 913	10 752 913	10 752 913	10 752 913
Mr Shammo	0	9 339 450	9 339 450	9 339 450	9 339 450
Mr Stratton	0	8 882 153	8 882 153	0	8 882 153
Mr Mitch	0	7 997 191	7 997 191	7 997 191	7 997 191

1 Mr Stratton would not have been entitled to receive any amount in respect of his outstanding unvested equity awards upon retirement because he had not met the eligibility requirements for retirement under the terms of the Long-Term Plan on the last business day of 2013.

Non-Employee Director Compensation

In 2013, each non-employee Director of Verizon received an annual cash retainer of $100,000 Any Director who served on the Board for less than the full year received an amount pro-rated to reflect the portion of the year he or she served The Corporate Governance and Policy and Finance Committee Chairpersons received an additional annual cash retainer of $15,000, the Audit and Human Resources Committee Chairpersons received an additional annual cash retainer of $25,000, and the Presiding Director received an additional annual cash retainer of $10,000 Each Director also received an annual grant of Verizon share equivalents valued at $150,000 on the grant date No meeting fees were paid if a *Director attended a Board or Committee meeting on the day before or the day of a regularly scheduled Board meeting* Each Director who attended such a meeting held on any other date received a meeting fee of $2 000

In addition in 2013 the Board established a committee composed of Mr Price (Chairperson) Ms Keeth and Ms Tesija to assist the Board in responding to a shareholder demand The Chairperson received a cash retainer of $5,000, and each Committee member received a meeting fee of $2 000 for each of the three meetings held by the Committee during 2013

A new Director who joins the Board receives a one-time grant of 3,000 Verizon share equivalents valued at the closing price on the date that the Director joins the Board

All share equivalents are automatically credited to the Director's deferred compensation account under the Verizon Executive Deferral Plan and invested in a hypothetical Verizon stock fund Amounts in the deferred compensation account are paid in a lump sum in the year following the year that the Director leaves the Board

Under the Verizon Executive Deferral Plan, Directors may defer all or part of their annual cash retainer and meeting fees A Director may elect to invest these amounts in a hypothetical cash account that earns a return rate equal to the long-term high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to participants in Verizon's Management Savings Plan

Directors who served as directors of NYNEX Corporation participate in a charitable giving program Under this program, *when a participant retires from the Board or attains age 65 (whichever occurs later) or dies, one or more charitable* contributions in the aggregate amount of $1,000,000 are made, payable in ten annual installments Directors who served as directors of GTE Corporation participate in a similar program for which the aggregate contribution is $1,000,000, payable in five annual installments commencing upon the Director's death. The GTE and NYNEX programs are financed through the purchase of insurance on the life of each participant The charitable giving programs are closed to future participants In 2013, the aggregate cost of maintaining and administering the legacy charitable giving programs for all participants was $62,185

The Directors are eligible to participate in the Verizon Foundation Matching Gifts Program Under this program, which is open to all Verizon employees, the Foundation matches up to $5 000 per year of charitable contributions to accredited colleges and universities, $1,000 per year of charitable contributions to any non-profit with 501(c)(3) status and $1,000 per year of charitable donations to designated disaster relief campaigns

Director Compensation

Name (a)	Fees Earned or Paid in Cash 1 ($) (b)	Stock Awards 2 ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings 3 ($) (f)	All Other Compensation 4 ($) (g)	Total ($) (h)
Shellye L. Archambeau	8,333	160,280	0	0	0	0	168,613
Richard L. Carrión*	122,500	150,000	0	0	4,217	0	276,717
Melanie L. Healey	124,000	150,000	0	0	0	5,750	279,750
M. Frances Keeth	134,000	150,000	0	0	0	0	284,000
Robert W. Lane	128,000	150,000	0	0	4,462	0	282,462
Sandra O. Moose*	153,000	150,000	0	0	7,776	5,000	315,776
Joseph Neubauer*	149,000	150,000	0	0	0	0	299,000
Donald T. Nicolaisen*	153,000	150,000	0	0	0	0	303,000
Clarence Otis, Jr.	128,000	150,000	0	0	10,692	0	288,692
Hugh B. Price*	135,000	150,000	0	0	1,471	5,000	291,471
Rodney E. Slater	122,000	150,000	0	0	0	0	272,000
Kathryn A. Tesija	132,000	150,000	0	0	832	0	282,832
Gregory D. Wasson	109,333	265,160	0	0	0	6,000	380,493

* Denotes a Chairperson of a standing or special committee

1 This column includes all fees earned or paid in 2013, whether the fee was paid in 2013 or deferred

2 For each Director this column reflects the grant date fair value of the Director's 2013 annual stock award computed in accordance with FASB ASC Topic 718 For Ms Archambeau, this column reflects the grant date fair value of her annual share equivalents award valued at $12,500, which was prorated to reflect the portion of the year that she served on the Board, and includes the one-time grant of 3,000 Verizon share equivalents with the grant date fair value of $147,780 that she received upon her appointment to the Board effective December 1, 2013, in each case based on the closing price of Verizon's common stock on the grant date For Mr Wasson, this column reflects the grant date fair value of his annual share equivalents award valued at $125,000, which was prorated to reflect the portion of the year that he served on the Board and includes the one-time grant of 3 000 Verizon share equivalents with the grant date fair value of $140,160 that he received upon his appointment to the Board effective March 1, 2013, in each case based on the closing price of Verizon's common stock on the grant date The following reflects the aggregate number of share equivalent awards and the aggregate number of option awards outstanding as of December 31, 2013 for each person who served as a non-employee Director during 2013 Shellye Archambeau, 3,254 and 0, Richard Carrion 90,366 and 0, Melanie Healey, 11,007 and 0, M. Frances Keeth, 38,399 and 0, Robert Lane, 48,982 and 0, Sandra Moose, 80,085 and 0, Joseph Neubauer, 99,201 and 7,798, Donald Nicolaisen, 45,615 and 0, Clarence Otis, Jr., 44,994 and 0, Hugh Price, 70,160 and 0, Rodney Slater, 20,131 and 0, Kathryn Tesija, 6,646 and 0, and Gregory Wasson, 5,851 and 0

3 This column reflects above-market earnings on nonqualified deferred compensation plans Non-employee Directors do not participate in any defined benefit pension plan.

4 This column reflects matching contributions made on the Directors' behalf under the Verizon Foundation Matching Gift Program.

Security Ownership of Certain Beneficial Owners and Management

Principal Shareholders

On March 3, 2014, there were approximately [XX] billion shares of Verizon common stock outstanding and each share is entitled to one vote. The following table sets forth information about persons we know to beneficially own more than five percent of the shares of Verizon common stock, based on our records and information reported in filings with the SEC To the extent that information in the table is based on information contained in an SEC filing, it is accurate only as of the date referenced in the filing On February 21, 2014 in connection with the Verizon Wireless transaction, we issued approximately 1.27 billion shares, thereby increasing our outstanding common stock by approximately 45% As a result, it is possible that shareholders' percentage interest in our outstanding common stock has changed significantly since that date.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock Inc. 40 East 52 nd Street New York New York 10022	169,544,335	5 9%

* This information is based on a Schedule 13G filed with the SEC on February 10, 2014 by BlackRock Inc , setting forth information as of December 31, 2013 The Schedule 13G states that BlackRock Inc, has sole voting power with respect to 137,363,936 shares and shared voting power with respect to 17 014 shares and sole dispositive power with respect to the 169 527,321 shares and shared dispositive power with respect to 17,014 shares

Directors and Executive Officers

In the following table, you can find information showing the number of shares of Verizon common stock beneficially owned by each of the named executive officers, each Director and all executive officers and Directors as a group as of January 31, 2014 This information includes shares held in Verizon's employee savings plans and shares that may be acquired within 60 days pursuant to the exercise of stock options and/or the conversion of certain stock units under deferred compensation plans The aggregate number of shares owned by executive officers and Directors represents less than one percent of the total number of outstanding shares of Verizon common stock Unless we have indicated otherwise, each individual and/or his or her family member(s) has or have sole or shared voting and/or investment power with respect to the securities Executive officers and Directors also have interests in other stock-based units under Verizon deferred compensation plans and stock-based long-term incentive awards We have included these interests in the "Total Stock-based Holdings" column in the table below to show the total economic interest that the executive officers and Directors have in Verizon common stock

Name	Stock 1	Total Stock-based Holdings 2
Named Executive Officers		
Lowell McAdam*	322,191	1,298,685
Daniel Mead	46,164	434,492
Francis Shammo	73,686	410,817
John Stratton	53,197	378,090
Randal Milch	76,131	345,210
Directors:		
Shellye Archambeau	—	3,254
Richard Carrion	4,451	91,626
Melanie Healey	—	11,007
M. Frances Keeth	—	38,399
Robert Lane	—	48,982
Sandra Moose	—	80,085
Joseph Neubauer	24,859	145,348
Donald Nicolaisen	—	45,615
Clarence Otis, Jr.	3,000	47,994
Hugh Price	2,559	70,218
Rodney Slater	—	20,131
Kathryn Tesija	—	6,646
Gregory Wasson	—	5,851
All of the above and other executive officers as a group 3	811,605	4,734,567

* Mr. McAdam also serves as a Director.

1 In addition to direct and indirect holdings, the "Stock" column includes shares that may be acquired within 60 days pursuant to the conversion of RSUs granted in 2011 as follows. 109,531 shares for Mr. McAdam; 23,823 shares for Mr Mead; 44,360 shares for Mr. Shammo, 33,779 shares for Mr. Stratton; and 39,119 shares for Mr Milch The "Stock" column also includes shares that may be acquired within 60 days pursuant to the conversion of certain stock units under deferred compensation plans as follows: 12,771 shares for Mr Milch; 3,191 shares for Mr Camón, and 2,501 shares for Mr. Price Prior to conversion, the shares underlying the RSUs and deferred compensation units may not be voted or transferred. No shares are pledged as security

2 The "Total Stock-based Holdings" column includes, in addition to shares listed in the "Stock" column, stock-based units under deferred compensation plans and stock-based long-term incentive awards, which may not be voted or transferred.

Section 16(a) Beneficial Ownership Reporting Compliance

SEC rules require that we disclose any late filings of stock transaction reports by our executive officers and Directors. Based solely on a review of the reports that we filed on behalf of these individuals or that were otherwise provided to us, our executive officers and Directors met all Section 16(a) filing requirements during calendar year 2013

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CORPORATE GOVERNANCE GUIDELINES

The Board has adopted these Guidelines and the Committee Charters to provide a framework for the functioning of the Board The Board will periodically review those materials and practices in light of ongoing developments and the Corporation's needs to determine whether any changes are required

Role of the Board

The business of the Corporation is conducted by management, under the direction of the Board of Directors The Board, and each committee of the Board, has complete access to management In addition, the Board and each committee have access to independent advisors as each deems necessary or appropriate

Strategic Planning and Management Development. At least once a year, the Board conducts a strategic planning session with management The Board reviews succession planning and management development at least annually. The process includes consideration of organizational needs competitive challenges, the potential of key managers planning for future development and emergency situations

Executive Sessions The independent Directors of the Board meet at least twice each year in executive session The non-employee Directors of the Board meet at least three times each year in executive session. Any Director has the right to call a meeting or executive session of the independent Directors or of the non-employee Directors

In at least one executive session, the Board assesses the process and effectiveness of the Board (including opportunities for continuing education and orientation of new Directors) and considers any other matters that the Directors request In an executive session of independent Directors, the Board receives the Human Resources Committee s report on the CEO's performance and compensation

Presiding Director. At or prior to the Annual Meeting of Shareholders, the independent members of the Board of Directors shall elect an independent Director to serve as Presiding Director until the next Annual Meeting, or until his or *her successor is elected and qualified. The Presiding Director shall act as liaison with the Chairman, in consultation with* the other Directors In addition, all Directors shall have direct and complete access to the Chairman at any time as they deem necessary or appropriate The Presiding Director shall chair all executive sessions of the Board and all other meetings of the Board at which the Chairman is not present The Presiding Director may, in his or her discretion, call a meeting of the Board or an executive session of the Board, and shall call an executive session at the request of any other Director.

The Presiding Director, in consultation with the Chairman, shall review and approve the schedule of meetings of the Board, the proposed agendas and the materials to be sent to the Board, Directors shall have the opportunity to provide suggestions for the meeting schedule, agenda items and materials to the Chairman or the Presiding Director.

Any shareholder or interested party may communicate directly with the Presiding Director

Verizon Communications Inc
Presiding Director
Board of Directors
140 West Street, 29 th Floor
New York, New York 10007

Committees There are three (3) standing committees of the Board Audit, Corporate Governance and Policy, and Human Resources The members of the Audit, Corporate Governance and Policy and Human Resources committees will be independent as required by law or regulation The Board may change the number of committees from time to time

The responsibilities of each committee are set forth in its charter, which is approved by the Board and posted on the Corporation's website Each committee Chair approves the agenda and materials for each meeting and reports its actions and discussions to the Board as soon as practicable At least annually, each committee conducts an assessment of its charter and its processes and effectiveness

Membership. The Corporate Governance and Policy Committee annually reviews and recommends the members and *Chair of each committee for approval by the Board The Committee periodically considers rotating Chairs and members* of the committees

Meetings. Directors are expected to attend all meetings of the Board and each committee on which they serve Directors are provided with a copy of the proposed agenda sufficiently in advance of each scheduled meeting in order to have the opportunity to comment on or make changes to the agenda Directors standing for election are expected to attend the Annual Meeting of Shareholders

Board Composition and Director Qualifications

The Board will periodically assess the needs of the Corporation to determine the appropriate size of the Board At all times, a substantial majority of the Board will be independent and not more than two Directors will be current or former employees of Verizon

Qualifications A candidate must

- Be ethical,
- Have proven judgment and competence,
- Have professional skills and experience in dealing with a large, complex organization or in dealing with complex problems that are complementary to the background and experience represented on the Board and that meet the needs of the Corporation,
- Have demonstrated the ability to act independently and be willing to represent the interests of all shareholders and not just those of a particular philosophy or constituency, and
- Be willing and able to devote sufficient time to fulfill his or her responsibilities to Verizon and its shareholders

In assessing the appropriate composition of the Board, the Corporate Governance and Policy Committee also considers other factors that are relevant to the current needs of the Corporation, including those that promote diversity

Identification and Consideration of Candidates . The Corporate Governance and Policy Committee considers candidates proposed by members of the Committee, other Directors, management and shareholders The Committee considers candidates for re-election, provided that the candidate has consented to stand for re-election and tendered an irrevocable resignation to the Chairman of the Committee prior to nomination each year. All candidates are evaluated in the same manner. After the Committee has completed its evaluation, it presents its recommendation to the full Board for its consideration and approval In presenting its recommendation, the Committee also reports on other candidates who were considered but not selected.

Verizon will conduct an orientation program for each new Director that includes, among other things, a review of the *Corporation's business, financial condition, strategy, ethical obligations, key issues and other relevant topics*

Independence. A Director is considered independent if the Board finds that the Director is independent under the corporate governance listing standards of the New York Stock Exchange and the Nasdaq Stock Market. In addition, in evaluating independence, the Board will not consider a Director independent if:

1 Within the past three years, the Director or a Member of the Director's Immediate Family has:

- Been an employee of Verizon or a Verizon subsidiary ("Verizon");

- Received during any 12-month period more than $100,000 in direct compensation from Verizon (other than Director's compensation and other than pension or other deferred compensation for prior service with Verizon);
- Been an executive officer of a company where at the same time a Verizon executive officer or executive in compensation Band 1 (each a "Verizon Senior Executive") served on the company's compensation committee.

2. The Director is retained under a personal or professional services contract by Verizon.

3. The Director is an employee, or a Member of the Director's Immediate Family is an executive officer, of a company that has made payments to, or received payments from, Verizon in an amount that, in any of the past three years, exceeded the greater of $1 million or one percent of that company's consolidated gross revenues,

4 The Director is an executive officer of a lender to Verizon and Verizon s outstanding indebtedness to the lender in any of the past three years exceeded one percent of the lender's outstanding loans at the end of the lender's fiscal year.

5 The Director is an executive officer of a non-profit entity that has received contributions from Verizon or its Foundation that, in any of the past three years, exceeded one percent of that entity s consolidated gross revenues (excluding matching gift contributions by Verizon's Foundation) or

6 The Director has any other relationship that the Board determines is inconsistent with applicable laws and regulations on directors' independence or that is likely to impair the Director's ability to act independently

For purposes of these Guidelines except as otherwise noted a Member of a Director's Immediate Family includes his or her spouse, parents, children, siblings mothers and fathers-in law sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the Director's home

An executive officer of a company on whose board a Verizon Senior Executive serves is not eligible for nomination as a new Director of the Corporation

Related Person Transaction Policy

Definitions . For purposes of this Policy,

" *Related Person* " means

1 any person who has served as a Director or a Verizon executive officer ("Officer") at any time during the Corporation's last fiscal year,

2 any person whose nomination to become a Director has been presented in a proxy statement relating to the election of Directors since the beginning of the Corporation's last fiscal year

3 any person who was at any time during the Corporation's last fiscal year an "Immediate Family Member" of any of the persons listed above Immediate Family Member means spouse child stepchild parent stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law brother-in law or sister-in-law of the Director, Officer or nominee, and any person (other than a tenant or employee) sharing the household of such Director, Officer or nominee, or

4 *any person or any Immediate Family Member of such person who is known to the Corporation to be the* beneficial owner of more than 5 percent of the Corporation's stock at the time of the Transaction (as defined below)

" *Related Person's Firm* " means any firm, corporation or other entity in which a Related Person is an executive officer or general partner or in which all Related Persons together have a 10 percent or more ownership interest

" *Transaction* " means any transaction arrangement or relationship with Verizon since the beginning of the Corporation s last fiscal year in an amount greater than $120 000 that involves or will involve a Related Person or a Related Person s Firm It does not include

(a) compensation to a Director or Officer which is or will be disclosed in the Corporation s proxy statement

(b) compensation to an Officer who is not an Immediate Family Member of a Director or of another Officer and which has been approved by the Human Resources Committee or the Board,

(c) a transaction in which the rates or charges involved are determined by competitive bids, or which involves common, contract carrier or public utility services at rates or charges fixed in conformity with law or governmental authority,

(d) a transaction that involves services as a bank depositary of funds, transfer agent, registrar, indenture trustee, or similar services; or

(e) a transaction in which the Related Person's interest arises solely from the ownership of Verizon stock and all shareholders receive the same benefit on a pro rata basis

Related Person Transaction " means a Transaction in which a Related Person is determined to have, had, or will have a direct or indirect material interest

Policy Statement The Board of Directors recognizes that Related Person Transactions can present potential *conflicts of interest for the perception thereof) and therefore has adopted this policy which shall be followed in connection* with all Related Person Transactions involving the Company

Process Annually each Director and Officer shall submit to Verizon the name and employment affiliation of his or her Immediate Family Members and the name of any Related Person s Firm with which any of them are affiliated Directors and Officers shall notify Verizon promptly of any changes to this information Each Director and Officer shall also identify any Transaction that they, their Immediate Family Members or their Related Person Firms are or will be involved in On an ongoing basis Directors and Officers shall promptly advise the Committee of any changes to such Immediate Family Members, Transactions or Related Person Firms

Management shall submit Transactions and appropriate supplemental information to the Corporate Governance and Policy Committee for its review

The Corporate Governance and Policy Committee shall review Transactions in order to determine whether a Transaction is a Related Person Transaction The Committee shall take such action with respect to the Related Person Transaction as it deems necessary and appropriate under the circumstances, including approval, disapproval, ratification, cancellation, or a recommendation to management Only disinterested members of the Committee shall participate in those determinations In the event it is not practical to convene a meeting of the Corporate Governance and Policy Committee the Chair of that Committee shall have the right to make such determination and shall promptly report his or her determination in writing to the other members of the Committee

The Committee shall report its action with respect to any Related Person Transaction to the Board of Directors

Change in Status or Retirement

If a Director retires or changes his or her employment status or principal responsibility the Director will tender a resignation to Verizon The Corporate Governance and Policy Committee will recommend to the Board whether the resignation should be accepted

Service on Other Boards

A Director who serves as an executive officer of a public company should not serve on more than three public company boards, including that of his or her own company, and other Directors should not serve on more than six public company boards In order not to disrupt existing affiliations with other boards, a Director may maintain current positions even if the number of those positions exceed these limits, unless the Board determines that permitting the position to continue will impair the Director s ability to serve on the Verizon Board Directors are expected to advise the Corporate Governance and Policy Committee of any changes in their membership on other boards

Retirement

A Director will retire from the Board the day before the Annual Meeting of Shareholders next following his or her 72nd birthday

Compensation

The Human Resources Committee periodically reviews and determines Director compensation and benefits The Committee determines compensation based on a review of comparable companies, alignment with the interests of shareholders and the advice of independent advisors

Stock Ownership

Within three years of joining the Board, each Director shall acquire, and continue to hold during his or her tenure on the Board, Verizon stock with a value equivalent to three times the cash component of the annual Board retainer Shares held by the Director under any deferral plan are included in determining the number of shares held

Business Conduct and Ethics

Directors are expected to act in compliance with these Guidelines, applicable laws and regulations, and the spirit of the Verizon Code of Business Conduct for employees Employee Directors are also governed by Verizon's Code of Business Conduct

Conflicts of Interest. A Director should avoid situations that result or appear to result in a conflict of interest with Verizon A Director may be considered to have a conflict of interest if the Director's interest interferes or appears to interfere in any material way with the interests of Verizon, including if

- The Director, any Member of the Director's Immediate Family, or any company with which any of them is associated as an officer, director, five percent or more owner, partner, employee or consultant (i) is a five percent or more owner of, or (ii) has any management interest in, any company that is in the same business as Verizon ("potential competitive interest"), or
- The Director offers gifts or other benefits to or solicits or receives gifts or other benefits from another entity as a result of his or her position with Verizon, or
- The Director has any other relationship that the Corporate Governance and Policy Committee believes is likely to result in a conflict of interest with Verizon

A non-employee Director is expected to advise Verizon prior to acquiring or continuing any interest or entering into any transaction or relationship that may present a potential competitive interest. The Corporate Governance and Policy Committee, in consultation with the CEO and Chairman, will review and advise the Board as soon as practicable whether a conflict would be presented

Corporate Opportunities A Director should not take advantage of an opportunity to engage in a business activity that properly belongs to Verizon, including any activity that is discovered as a result of the use of Verizon information or property or in connection with his or her service as a Director A Director should not use Verizon information, property or his or her position with Verizon for personal gain

Securities Transactions. A Director should not trade, or enable any other person to trade, in Verizon's securities or the securities of another company while aware of material non-public information

Confidentiality Directors should maintain the confidentiality of information about Verizon and other entities which Verizon entrusts to them, except where the disclosure is authorized or required by law

Fair Dealing. Directors should act fairly in any dealings with the Corporation's stakeholders, including customers, suppliers, competitors, employees and shareholders

Waiver. No waiver of any provision of the business conduct and ethics requirements for a Director, or of any provision of the Verizon Code of Business Conduct for a Verizon Senior Executive, may be granted without the approval of the Board of Directors. The Board is strongly predisposed against any such waivers. However, in order to approve any such waiver, the Board must affirmatively find that the waiver does not violate any applicable law or regulation and that the waiver is in the best interests of the Corporation. In the event the Board approves a waiver, it will ensure that the waiver and the Board's rationale for granting the waiver are promptly disclosed, consistent with applicable legal and stock exchange requirements.

Verizon Senior Executives Serving on Outside Boards

A Verizon Senior Executive must obtain approval from the Corporate Governance and Policy Committee in advance of accepting any new membership on the Board of a public company. Verizon Senior Executives may not serve on the Board of more than two public companies other than Verizon

A Verizon Senior Executive will not accept a new directorship with a company if the CEO or other executive officer of that company is serving as a Director of Verizon.

Shareholder Communications with Directors

If a shareholder wishes to communicate directly with the Board, a Committee of the Board or with an individual Director, he or she should send the communication to

Verizon Communications Inc
The Board of Directors [or Committee name or Director's name, as appropriate]
140 West Street, 29th Floor
New York, New York 10007

Verizon will forward all shareholder correspondence about Verizon to the Board, Committee or individual Director(s)

Policy on Adoption of Shareholder Rights Plans

The Corporation does not currently have a shareholder rights plan, or "poison pill," and the Board currently has no plans to adopt such a plan However, if the Board is presented with a set of facts and circumstances which leads it to conclude that adopting a rights plan would be in the best interest of shareholders, it will seek prior shareholder approval unless the independent Directors, exercising their fiduciary duties, determine that such submission would not be in the best interests of shareholders under the circumstances If any rights plan is adopted without prior shareholder approval, it will be presented to shareholders within one year or expire within one year without being renewed or replaced Any plan adopted by the Board will also contain a "sunset" provision, providing that shareholders will have the opportunity to ratify or reject the plan every three years following the date of initial shareholder approval

Shareholder Advisory Vote

Effective with the Corporation's 2009 Annual Meeting of Shareholders, a management proposal related to executive compensation in the form approved by the Board of Directors will be submitted annually to shareholders for a non-binding vote

Appendix B

Related Dow Peer Information

The following chart lists the companies included in the Related Dow Peers for 2013 compensation purposes, and their market capitalization as of December 31, 2013, as reported by Bloomberg, and net income attributable to the company, revenue and total employees, as of each company's most recent fiscal year-end as reported in SEC filings.

Company	Market Capitalization ($ Millions)	Net Income Attributable to the Company ($ Millions)	Revenue ($ Millions)	Total Employees
3M	93 300			
Alcoa	11 389			
American Express	97 196			
AT&T	185,645			
Bank of America	166 072			
Boeing	102 566			
Caterpillar	57 787			
CenturyLink	16,826			
Chevron	240 224			
Cisco Systems	119 925			
Coca-Cola	182 422			
Comcast	134,921			
Du Pont (E I)	60 169			
Exxon Mobil	442,094			
General Electric	283,590			
Hewlett-Packard	53 408			
Home Depot	115,953			
IBM	203 674			
Intel	129 022			
Johnson & Johnson	258,416			
JPMorgan Chase	219 837			
McDonald s	96,548			
Merck	146 243			
Microsoft	312 258			
Pfizer	198 515			
Procter & Gamble	221 251			
Sprint Nextel	42 271			
Time Warner Cable	36,196			
Travelers	32 963			
UnitedHealth	75 809			
United Technologies	104 421			
Wal-Mart	254,623			
Walt Disney	134 256			
Verizon	140 676			
Verizon's Ranking	15			
Verizon's Percentile Ranking	58%			

Appendix C

Verizon Communications Inc. Reconciliation of Non-GAAP Measures

Adjusted Net Income Reconciliation

(dollars in billions)

Year Ended December 31,	2013
Reported Net Income Attributable to Verizon	$ 11 5
Severance, Pension and Benefit Credits	(3 9)
Gain on Spectrum License Transaction 1	-
Wireless Transaction Costs	0 6
Adjusted Net Income Attributable to Verizon	$ 8 2

1 The after-tax Gain on Spectrum License Transaction amounted to $47 8 million

Adjusted EPS Reconciliation

Year Ended December 31,	2013
Reported EPS	$4 00
Severance, Pension and Benefit Credits	(1 35)
Gain on Spectrum License Transaction	(0 02)
Wireless Transaction Costs	0 20
Adjusted EPS	$ 2 84

Note EPS may not add due to rounding

Free Cash Flow Reconciliation

(dollars in billions)

Year Ended December 31,	2013
Net Cash Provided by Operating Activities	$ 38 8
Less Capital Expenditures (including capitalized software)	16 6
Free Cash Flow	$ 22 2

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Hilliard Homes I Limited Partnership

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1020 West Montrose
Chicago, Illinois 60613

C. Telephone: 312-274-9137 Fax: 312-337-4592 Email: josephdunne@holstenchicago.com

D. Name of contact person: Joseph Dunne

E. Federal Employer Identification No. (if you have one): 36-4378442

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
HH1 Development Corporation	Managing General Partner

2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant Tax Credit Fund XXII, Ltd.	21600 Oxnard Street, Suite 1200 Woodland Hills, CA 91367-4949	99.98%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Applegate & Thorne-Thomsen	626 West Jackson Blvd., Chicago	Attorney	$20,000
Developers Mortgage Corporation	221 North LaSalle Street, Suite 3333 Chicago, Illinois 60601	Mortgage Banking	$45,000

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None .

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[X] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [X] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [X] No

If you checked "No" to question 1. or 2. above, please provide an explanation:
The Applicant is a limited partnership and has no employees.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Hilliard Homes I Limited Partnership
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter Holsten
(Print or type name of person signing)

Member, HH1 Development Corporation
Managing General Partner
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 3, 2014
at Cook County, _____ (state).

_____ Notary Public.

Commission expires: 8/26/15.

"OFFICIAL SEAL"
NIKISHIANNA CLAY
Notary Public, State of Illinois
My Commission Expires 08/26/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

HH1 Development Corporation

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1020 West Montrose Avenue
Chicago, Illinois 60613

C. Telephone: 312-274-9137 Fax: 312-337-4592 Email: josephdunne@holstenchicago.com

D. Name of contact person: Joseph Dunne

E. Federal Employer Identification No. (if you have one): 36-4375831

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Peter Holsten	President

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Peter Holsten	1020 West Montrose Ave Chicago, Illinois 60613	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

HH1 Development Corporation
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Peter Holsten
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 3, 2014
at Cook County, _____ (state).

_____ Notary Public.

"OFFICIAL SEAL"
NIKISHIANNA CLAY
Notary Public, State of Illinois
My Commission Expires 03/26/15

Commission expires: 8/26/15.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Tax Credit Fund XXII, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): 90-6115812

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant Capital, Ltd.	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant Capital, Ltd.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	0.01% (GP)
Verizon Credit, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99.99% (LP)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (Sec 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Tax Credit Fund XXII, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here) By Alliant Capital, Ltd., its general partner
By Alliant, Inc , its general partner
By Brian Goldberg, President

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Capital, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): 65-0773626

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant, Inc.	General Partner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	1% (GP)
The Alliant Company, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99% (LP)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Capital, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here) By Alliant, Inc , its general partner
By Brian Goldberg, President

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Alliant Company, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

D. Name of contact person: Shawn Horwitz

E. Federal Employer Identification No. (if you have one): 20-5983661

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Alliant, Inc.	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Alliant, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	1% (Managing Member)
Palm Drive Associates, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24.75% (Non-Managing Member)
344 Columbia Associates, Ltd.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24.75% (Non-Managing Member)
SAK Housing, LLC	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	49.5% (Non-Managing Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Alliant Company, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)
By: Alliant, Inc., its managing member
By Shawn Horwitz, CEO

Shawn Horwitz
(Print or type name of person signing)

Chief Executive Officer
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 09/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

D. Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one): 65-0773621

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Sidney Kohl	Director/Chairman of the Board
Shawn Horwitz	Director/Chief Executive Office
Scott Kotick	Director/Executive Vice President
Brian Goldberg	President
James Jenkins	Director/Vice President/Treasurer/Secretary

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Sidney Kohl	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	50% Shareholder
Shawn Horwitz	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	25% Shareholder
Scott Kotick	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	25% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Brian Goldberg
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 20-5847098

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Robert Kohl	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Kohl New Generations Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	11.25%
SAK Housing, Inc	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	45%
Sidney A Kohl 2012 Irrevocable Family Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	24%
The Lawrence Kohl 2013 Family Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	15%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Robert Kohl
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014.
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand
Notary Public

MOIRA MALLOY-BERTRAND
MY COMMISSION # EE [illegible]
EXPIRES March 24, 2018
Bonded Thru Notary Public [illegible]

Notary Public Expires: 3-24-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____
_____
_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Kohl New Generations Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 46-7106962

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Pentacorp, Inc., Patricia Fadness, President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SK Grandchildren	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Kohl New Generations Trust
(Print or type name of Disclosing Party)

By: Patricia Fadness
(Sign here) By: Pentacorp, Inc., Trustee
By: Patricia Fadness, President

Patricia Fadness
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25 2014
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 65-0776077

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Sidney A. Kohl	President
James C. Jenkins	Vice President / Treasurer

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Jana Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder
Lisa Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder
Lori Gandleman 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

James C. Jenkins
(Print or type name of person signing)

Vice President / Treasurer
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25, 2014,
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

Commission expires: 3-24-2018.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Sidney A Kohl 2012 Irrevocable Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 36-6230330

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Robert Kohl	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SK Grandchildren	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article 1 of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Sidney A Kohl 2012 Irrevocable Family Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Robert Kohl
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec 4, 2014.
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

Commission expires: 3-24-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Lawrence Kohl 2013 Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: jjenkins@eskopb.com

D. Name of contact person: James Jenkins

E. Federal Employer Identification No. (if you have one): 46-7190892

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Florida

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Pentacorp, Inc., Patricia Fadness, President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Lawrence Kohl	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	Sole Beneficiary

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

The Lawrence Kohl Family Trust
(Print or type name of Disclosing Party)

By: Patricia Fadness
(Sign here) By Pentacorp, Inc., Trustee
By Patricia Fadness, President

Patricia Fadness
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov 25 2014
at Palm Beach County, Florida (state).

Moira Malloy-Bertrand Notary Public.

MOIRA MALLOY-BERTRAND
MY COMMISSION # FF 073037
EXPIRES: March 24, 2018
Bonded Thru Notary Public Underwriters

Commission expires: 3-24-2018.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Palm Drive Associates, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 21600 Oxnard Street, suite 1200
Woodland Hills, CA 91367

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

D. Name of contact person: Shawn Horwitz

E. Federal Employer Identification No. (if you have one): 95-4648547

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Shawn Horwitz	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Shawn Horwitz	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Managing Member)
Joanne Horwitz	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Palm Drive Associates, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Shawn Horwitz
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 09/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

344 Columbia Associates, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 21600 Oxnard Street, Suite 1200
Woodland Hills, CA 91367

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: scott.kotick@alliantcapital.com

D. Name of contact person: Scott Kotick

E. Federal Employer Identification No. (if you have one): 31-1573400

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Ohio

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Scott Kotick	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Scott Kotick	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	25% (Managing Member)
Myra Kotick	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	25% (Member)
Kotick Family, LP	21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367	50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

344 Columbia Associates, Ltd.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Scott Kotick
(Print or type name of person signing)

Managing Member
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/4/2014,
at Los Angeles County, CA (state).

Anush Sinanian Notary Public.

Commission expires: 9/24/2017.

ANUSH SINANIAN
Commission # 2042671
Notary Public - California
Los Angeles County
My Comm. Expires Sep 24, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Credit Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 221 East 37 Street, 7 Floor
New York NY 10016

C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: Peter.D.Rutherford @ Verizon.Com

D. Name of contact person: Peter D. Rutherford

E. Federal Employer Identification No. (if you have one): 16-1170094

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
See Attached	

2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
GTE Corporation	140 West Street New York, NY 10007	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter? Upon knowledge without inquiry

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [x] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2 , the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records. Verification is based on a cursory review of some records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2 The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article 1 of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City. to the best of my knowledge.

Verizon Credit Inc.
(Print or type name of ~~Disclosing Party~~).

By: _____
(Sign here)

Peter D. Rutherford
(Print or type name of person signing)

Senior Vice President-Transactions and Portfolio Management
(Print or type title of person signing)

Signed and sworn to before me on (date) December 5, 2014,
at New York County, New York (state).

_____ Notary Public.

Commission expires: _____.

MARVA LEVINE
Notary Public, State of New York
No. 02LE-4818478
Qualified in New York County
Commission Expires February 28, 20 15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [ ] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Verizon Credit Inc. -- *Current Officers*

Name	Title
Cordy, Scott L.	Vice President - Taxes
Ellis, Matthew D.	Chairman of the Board
Golabek, Michael J.	Environmental Health and Safety Officer
Jankun, Richard P.	Vice President - Taxes
Krakowski, Richard F.	Senior Vice President - Chief Financial Officer and Risk Management, and Assistant Treasurer
Krause, Tracy	Treasurer
Levine, Marva M.	Vice President - Assistant General Counsel and Secretary
Manniello, Mario	Vice President - Taxes
Mason, J. Daniel	Assistant Secretary
Mattiola, Paul L.	Vice President - Taxes
Metzger, Kathleen	Vice President - Taxes
Meyer, Bonnie M.	Vice President - Affiliate Vendor Finance
Perrett, Londa C.	Assistant Secretary
Prashker, Audrey E.	Vice President and General Counsel
Repp, Paul H.	President and Chief Executive Officer
Rutherford, Peter D.	Senior Vice President - Transactions and Portfolio Management

Verizon Credit Inc. -- *Current Directors*

Name

Ellis, Matthew D.

Repp, Paul H.

Van Saders, William P.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Communications, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 221 East 37 Street, 7th floor
New York, NY 10016

C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: peter.d.rutherford@verizon.com

D. Name of contact person: Peter.D.Rutherford

E. Federal Employer Identification No. (if you have one): 16-1170094

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	23-2259884
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1095 Avenue of the Americas New York, New York (Address of principal executive offices)	10036 (Zip Code)

Registrant's telephone number, including area code (212) 395-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

At September 30, 2014, 4,149,723,706 shares of the registrant's common stock were outstanding, after deducting 92,650,534 shares held in treasury.

PART I – FINANCIAL INFORMATION

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Item 1. Financial Statements

Condensed Consolidated Statements of Income
Verizon Communications Inc. and Subsidiaries

(dollars in millions, except per share amounts) (unaudited)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Operating Revenues	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Operating Expenses				
Cost of services and sales (exclusive of items shown below)	12,752	10,960	35,578	32,925
Selling, general and administrative expense	9,277	8,037	24,159	21,232
Depreciation and amortization expense	4,167	4,154	12,465	12,423
Total Operating Expenses	26,196	23,151	72,152	69,580
Operating Income	6,390	7,128	21,735	19,905
Equity in earnings (losses) of unconsolidated businesses	(48)	19	1,811	134
Other income and (expense), net	71	20	(797)	84
Interest expense	(1,255)	(555)	(3,633)	(1,606)
Income Before Provision For Income Taxes	5,158	6,612	19,156	18,517
Provision for income taxes	(1,864)	(1,034)	(6,052)	(2,886)
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Net income attributable to noncontrolling interests	$ 99	$ 3,346	$ 2,248	$ 9,201
Net income attributable to Verizon	3,695	2,232	11,856	6,430
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Basic Earnings Per Common Share				
Net income attributable to Verizon	$ .89	$ .78	$ 3.03	$ 2.24
Weighted-average shares outstanding (in millions)	4,152	2,866	3,912	2,866
Diluted Earnings Per Common Share				
Net income attributable to Verizon	$ .89	$ .78	$ 3.03	$ 2.24
Weighted-average shares outstanding (in millions)	4,159	2,874	3,919	2,874
Dividends declared per common share	$ .555	$ .537	$ 1.61	$ 1.56

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Comprehensive Income
Verizon Communications Inc. and Subsidiaries

(dollars in millions) (unaudited)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Net Income	$ 3,794	$ 5,578	$ 14,104	$ 15,631
Other comprehensive gain (loss), net of taxes				
Foreign currency translation adjustments	(114)	140	(1,054)	4
Unrealized gain (loss) on cash flow hedges	153	6	(111)	(12)
Unrealized gain (loss) on marketable securities	(13)	13	(1)	(1)
Defined benefit pension and postretirement plans	(29)	(36)	(117)	(108)
Other comprehensive gain (loss) attributable to Verizon	(13)	124	(1,183)	(117)
Other comprehensive gain (loss) attributable to noncontrolling interests	-	4	(23)	(11)
Total Comprehensive Income	$ 3,781	$ 5,706	$ 12,898	$ 15,503
Comprehensive income attributable to noncontrolling interests	$ 99	$ 3,350	$ 2,225	$ 9,190
Comprehensive income attributable to Verizon	3,682	2,356	10,673	6,313
Total Comprehensive Income	$ 3,781	$ 5,706	$ 12,898	$ 15,503

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheets
Verizon Communications Inc and Subsidiaries

(dollars in millions, except per share amounts) (unaudited)	At September 30 2014	At December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 7,218	$ 53,528
Short-term investments	635	601
Accounts receivable net of allowances of $646 and $645	13,283	12,419
Inventories	1,206	1,020
Prepaid expenses and other	2,431	3,406
Total current assets	24,773	70,994
Plant, property and equipment	230,452	220,865
Less accumulated depreciation	140,520	131,909
	89,932	88,956
Investments in unconsolidated businesses	818	3,432
Wireless licenses	75,303	75,747
Goodwill	24,617	24,634
Other intangible assets net	5,738	5,800
Other assets	5,112	4,535
Total assets	$ 226,293	$ 274,098
Liabilities and Equity		
Current liabilities		
Debt maturing within one year	$ 1,603	$ 3,933
Accounts payable and accrued liabilities	17,055	16,453
Other	8,231	6,664
Total current liabilities	26,889	27,050
Long-term debt	107,627	89,658
Employee benefit obligations	25,770	27,682
Deferred income taxes	42,289	28,639
Other liabilities	5,750	5,653
Equity		
Series preferred stock ($.10 par value none issued)	–	–
Common stock ($.10 par value, 4,242,374,240 and 2,967,610,119 shares issued in each period, respectively)	424	297
Contributed capital	11,089	37,939
Reinvested earnings	6,964	1,782
Accumulated other comprehensive income	1,175	2,358
Common stock in treasury, at cost	(3,465)	(3,961)
Deferred compensation – employee stock ownership plans and other	390	421
Noncontrolling interests	1,391	56,580
Total equity	17,968	95,416
Total liabilities and equity	$ 226,293	$ 274,098

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Cash Flows
Verizon Communications Inc and Subsidiaries

(dollars in millions) (unaudited)	Nine Months Ended September 30, 2014	2013
Cash Flows from Operating Activities		
Net Income	$ 14,104	$ 15,631
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	12,465	12,423
Employee retirement benefits	843	649
Deferred income taxes	914	3,011
Provision for uncollectible accounts	684	746
Equity in earnings of unconsolidated businesses, net of dividends received	(1,785)	(100)
Changes in current assets and liabilities net of effects from acquisition/disposition of businesses	(816)	(1,078)
Other, net	(3,252)	(2,895)
Net cash provided by operating activities	23,157	28,387
Cash Flows from Investing Activities		
Capital expenditures (including capitalized software)	(12,624)	(11,807)
Acquisitions of investments and businesses net of cash acquired	(180)	(81)
Acquisitions of wireless licenses	(343)	(430)
Proceeds from dispositions of wireless licenses	2,367	2,111
Proceeds from dispositions of businesses	120	–
Other, net	230	184
Net cash used in investing activities	(10,430)	(10,023)
Cash Flows from Financing Activities		
Proceeds from long-term borrowings	21,575	49,166
Repayments of long-term borrowings and capital lease obligations	(12,594)	(2,392)
Decrease in short-term obligations excluding current maturities	(426)	(324)
Dividends paid	(5,653)	(4,420)
Proceeds from sale of common stock	34	76
Purchase of common stock for treasury	–	(153)
Special distribution to noncontrolling interest	–	(3,150)
Acquisition of noncontrolling interest	(58,886)	–
Other, net	(3,087)	(3,550)
Net cash provided by (used in) financing activities	(59,037)	35,253
Increase (decrease) in cash and cash equivalents	(46,310)	53,617
Cash and cash equivalents, beginning of period	53,528	3,093
Cash and cash equivalents, end of period	$ 7,218	$ 56,710

See Notes to Condensed Consolidated Financial Statements

Notes to Condensed Consolidated Financial Statements
Verizon Communications Inc. and Subsidiaries
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared based upon Securities and Exchange Commission rules that permit reduced disclosure for interim periods. For a more complete discussion of significant accounting policies and certain other information, you should refer to the financial statements included in the Verizon Communications Inc. (Verizon or the Company) Annual Report on Form 10-K for the year ended December 31, 2013. These financial statements reflect all adjustments that are necessary for a fair presentation of results of operations and financial condition for the interim periods shown, including normal accruing accruals and other items. The results for the interim periods are not necessarily indicative of results for the full year. We have reclassified certain prior year amounts to conform to the current year presentation. Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other. The impact of this reclassification was not material to our condensed consolidated financial statements.

Revenue Recognition

We offer new and existing customers the option to participate in Verizon Edge, a program that provides eligible wireless customers with the ability to pay for handsets under an equipment installment plan. Under the Verizon Edge program, customers have the right to upgrade their handsets after a minimum of 30 days, subject to certain conditions, including making a stated portion of the required device payments, trading in their handset in good working condition and signing a new contract with Verizon. Upon upgrade, the outstanding balance of the equipment installment plan is exchanged for the used handset. This trade-in right is accounted for as a guarantee obligation.

Verizon Edge is a multiple-element arrangement typically consisting of the trade-in right, handset and monthly wireless service. At the inception of the arrangement, the amount allocable to the delivered units of accounting is limited to the amount that is not contingent upon the delivery of the monthly wireless service (the non-contingent amount). The full amount of the trade-in right's fair value (not an allocated value) will be recognized as the guarantee liability and the remaining allocable consideration will be allocated to the handset. The value of the guarantee liability effectively results in a reduction to revenue recognized for the sale of the handset. The guarantee liability is measured at fair value upon initial recognition based on assumptions lacking observable pricing inputs, including the probability and timing of the customer upgrading to a new phone, the customer's estimated remaining installment balance at the time of trade-in and the estimated fair value of the phone at the time of trade-in and therefore is classified within Level 3 of the fair value hierarchy. When the customer trades-in their used phone, the handset received is recorded to inventory and measured as the difference between the remaining equipment installment plan balance at the time of trade-in and the guarantee liability. The guarantee liability may increase after initial recognition as a result of changes in facts or assumptions and we will account for any increase in the guarantee liability with a corresponding decrease to revenue. The subsequent derecognition of the guarantee liability occurs when the guarantor is released from risk, which will occur at the earlier of the time the trade-in right is exercised or expires.

Leasing Arrangements

At each reporting period, we monitor the credit quality of the various lessees in our portfolios. Regarding the leveraged lease portfolio, we use external credit reports when available and when not available we use internally developed indicators. These indicators of internal credit risk grades factor historic loss experience, the value of the underlying collateral, delinquency trends and industry and general economic conditions. The credit quality of our lessees primarily varies from AAA to CCC-. For each reporting period the leveraged leases within the portfolio are reviewed for indicators of impairment, which is probable that rent due according to the contractual terms of the lease will not be collected. All significant accounts, individually or in the aggregate, are current and none are classified as impaired.

Earnings Per Common Share

There were a total of approximately 3 million outstanding dilutive securities, primarily consisting of restricted stock units, included in the computation of diluted earnings per common share for the three and nine months ended September 30, 2014, respectively. There were a total of approximately 8 million outstanding dilutive securities, primarily consisting of restricted stock units, included in the computation of diluted earnings per common share for the three and nine months ended September 30, 2013, respectively. There were no outstanding options to purchase shares that would have been anti-dilutive for the three months ended September 30, 2014. Outstanding options to purchase shares that were not included in the computation of diluted earnings per common share, because to do so would have been anti-dilutive for the period, were not significant for the nine months ended September 30, 2014 and the three and nine months ended September 30, 2013, respectively.

Recently Adopted Accounting Standards

During the first quarter of 2014, we adopted the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists. The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. The adoption of this standard update did not have a significant impact on our condensed consolidated financial statements.

Recent Accounting Standards

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures of disposals of components of an entity was issued. This standard update changes the criteria for reporting discontinued operations and enhances convergence of the reporting requirements for discontinued operations. As a result of this standard update, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on an entity's operations and financial results. This standard update is effective as of the first quarter of 2015; however, earlier adoption is permitted.

In May 2014, the accounting standard update related to the recognition of revenue from contracts with customers was issued. This standard update clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards. The standard update intends to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets, and provide more useful information to users of financial statements through improved disclosure requirements. Upon adoption of this standard update, we expect that the allocation and timing of revenue recognition will be impacted. We expect to adopt this standard update during the first quarter of 2017.

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers. Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients. Under the other method, the guidance is applied to contracts not completed as of the date of initial application, recognizing the cumulative effect of the change as an adjustment to the beginning balance of retained earnings, and also requires additional disclosures comparing the results to the previous guidance. We are currently evaluating these adoption methods and the impact that this standard update will have on our condensed consolidated financial statements.

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period was issued. The standard update resolves the diverse accounting treatment for these share-based payments by requiring that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. We will adopt this standard update during the first quarter of 2016. The adoption of this standard update is not expected to have a significant impact on our condensed consolidated financial statements.

2 Acquisitions and Divestitures

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion.

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VFI Inc.), which indirectly through certain subsidiaries (together with VFI Inc., the Purchased Entities) owned the Vodafone Interest. In consideration for the Transferred Shares, upon completion of the Wireless Transaction, Verizon (i) paid approximately $58.89 billion in cash, (ii) issued approximately 1.27 billion shares of Verizon's common stock, par value $0.10 per share (the Stock Consideration), which was valued at approximately $61.3 billion at the closing of the Wireless Transaction, (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5.0

billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23.1% interest in Vodafone Omnitel N.V. (Omnitel, and such interest, the Omnitel Interest), valued at $3.5 billion and (v) provided other consideration, which included the assumption of preferred stock valued at approximately $1.7 billion. The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third-party indebtedness. See Note 4 for additional information.

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted. As a result, we accounted for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in the Partnership. Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted has been recognized in equity attributable to Verizon.

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also consummated the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement. As a result, during the nine months ended September 30, 2014, we recognized a pre-tax gain of $1.9 billion on the disposal of the Omnitel interest in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income.

Verizon Notes

The Verizon Notes were issued to Vodafone pursuant to Verizon's existing indenture. The Verizon Notes were issued in two separate series, with $2.5 billion due February 21, 2022 (the eight-year Verizon Notes) and $2.5 billion due February 21, 2025 (the eleven-year Verizon Notes). The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014. The eight-year Verizon Notes bear interest at a floating rate equal to three-month London Interbank Offered Rate (LIBOR) plus 1.222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%. The indenture that governs the Verizon Notes contains certain negative covenants including a negative pledge covenant and a merger or similar transaction covenant; affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series. Beginning two years after the closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017. Any Verizon Notes held by third parties will not be redeemable by Verizon prior to their maturity dates. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration provided to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D shares (8,25,686 shares outstanding) and Class E shares (8,22,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction.

Deferred Tax Liabilities

Certain deferred taxes directly attributable to the Wireless Transaction have been calculated based on an analysis of taxes attributable to the difference between the tax basis of the investment in the noncontrolling interest that is assumed compared to Verizon's book basis. As a result, Verizon recorded a deferred tax liability of approximately $13.5 billion.

Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA, Inc. (T-Mobile USA) to exchange certain Advanced Wireless Services (AWS) and Personal Communication Services (PCS) licenses. The exchanges included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these exchanges, we received $0.9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses. As a result, we received $1.6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0.7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014.

During September 2014, we entered into a license exchange agreement with affiliates of AT&T Inc. to exchange certain AWS and PCS spectrum licenses. This non-cash exchange, which is subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, is expected to close in the first quarter of 2015. Upon completion of the transaction, we expect to record an immaterial gain.

During the three and nine months ended September 30, 2014, we acquired various other wireless licenses and markets for cash consideration that was not significant.

Wireline

On July 1, 2014, we sold a non-strategic Wireline business, which provides communications solutions to a variety of government agencies, for net cash proceeds of $0.1 billion and recorded an immaterial gain.

Other

During February 2014, Verizon acquired a business dedicated to the development of Internet Protocol (IP) television for cash consideration that was not significant.

On October 7, 2014, Redbox Instant by Verizon, a venture between Verizon and Redbox Automated Retail, LLC (Redbox), a wholly-owned subsidiary of Outerwall Inc., ceased providing service to its customers. In accordance with an agreement between the parties, Redbox withdrew from the venture on October 20, 2014 and Verizon will wind down and dissolve the venture during the next few months. As a result of the termination of the venture, we expect to record a pre-tax loss of approximately $0.1 billion in the fourth quarter of 2014.

3 Wireless Licenses, Goodwill and Other Intangible Assets

Wireless Licenses

Changes in the carrying amount of Wireless licenses are as follows:

(dollars in millions)	
Balance at January 1, 2014	$ 75,747
Acquisitions (Note 2)	438
Dispositions (Note 2)	(1,978)
Capitalized interest on wireless licenses	162
Reclassifications, adjustments and other	934
Balance at September 30, 2014	**$ 75,303**

Reclassifications, adjustments and other includes the exchanges of wireless licenses in 2014 as well as $0.3 billion of Wireless licenses that are classified as held for sale and included in Prepaid expenses and other on our condensed consolidated balance sheet at September 30, 2014 (see Note 2 for additional details).

At September 30, 2014, approximately $2.2 billion of Wireless licenses were under development for commercial service for which we were capitalizing interest costs.

Goodwill

Changes in the carrying amount of Goodwill are as follows:

(dollars in millions)	Wireless	Wireline	Total
Balance at January 1, 2014	$ 18,376	$ 6,258	$ 24,634
Acquisitions (Note 2)	15	10	25
Dispositions (Note 2)	–	(38)	(38)
Reclassifications, adjustments and other	–	(4)	(4)
Balance at September 30, 2014	$ 18,391	$ 6,226	$ 24,617

Other Intangible Assets

The following table displays the composition of Other intangible assets, net:

	At September 30, 2014			At December 31, 2013		
(dollars in millions)	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer lists (5 to 13 years)	$ 3,634	$ (2,870)	$ 764	$ 3,639	$ (2,660)	$ 979
Non-network internal-use software (3 to 7 years)	12,841	(8,183)	4,658	11,770	(7,317)	4,453
Other (2 to 25 years)	665	(349)	316	691	(323)	368
Total	$ 17,140	$ (11,402)	$ 5,738	$ 16,100	$ (10,300)	$ 5,800

The amortization expense for Other intangible assets was as follows:

(dollars in millions)	Three Months Ended September 30,	Nine Months Ended September 30,
2014	$ 391	$ 1,178
2013	398	1,183

The estimated future amortization expense for Other intangible assets is as follows:

Years	(dollars in millions)
Remainder of 2014	$ 401
2015	1,379
2016	1,145
2017	959
2018	795

4. Debt

Changes to debt during the nine months ended September 30, 2014 are as follows:

(dollars in millions)	Debt Maturing within One Year	Long-term Debt	Total
Balance at January 1, 2014	$ 3,933	$ 89,658	$ 93,591
Proceeds from long-term borrowings	–	21,575	21,575
Verizon Notes	–	5,000	5,000
Preferred Stock	–	1,650	1,650
Repayments of long-term borrowings and capital lease obligations	(5,363)	(9,231)	(12,594)
Decrease in short-term obligations, excluding current maturities	(426)	–	(426)
Reclassifications of long-term debt	1,097	(1,097)	–
Other	362	72	434
Balance at September 30, 2014	$ 1,603	$ 107,627	$ 109,230

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, €1.25 billion aggregate principal amount of 3.25% Notes due 2026 and £0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs. The net proceeds were used, in part, to finance the Wireless Transaction. Net proceeds not used to finance the Wireless Transaction were used for general corporate purposes. Also, during February 2014, we issued $0.5 billion aggregate principal amount of 5.90% Notes due 2054 resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes.

On March 10, 2014, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the series of notes listed in the following table:

(dollars in millions, except for Purchase Price)	Interest Rate	Maturity	Principal Amount Outstanding	Purchase Price[1]	Principal Amount Purchased
Verizon Communications	6.10%	2018	$ 1,500	$ 1,170.07	$ 748
	5.50%	2018	1,500	1,136.91	763
	8.75%	2018	1,300	1,268.35	564
	5.55%	2016	1,250	1,093.62	652
	5.50%	2017	750	1,133.22	153
Cellco Partnership and Verizon Wireless Capital LLC	8.50%	2018	1,000	1,278.63	619
Alltel Corporation	7.80%	2016	300	1,325.26	157
GTE Corporation	6.94%	2028	600	1,196.85	266
					$ 4,122

[1] Per $1,000 principal amount of notes.

The Tender Offer for each series of notes was subject to a financing condition, which was either satisfied or waived with respect to all series. The Tender Offer expired on March 17, 2014 and settled on March 19, 2014. In addition to the purchase price, any accrued and unpaid interest on the purchased notes was paid to the date of purchase. During March 2014, we recorded early debt redemption costs in connection with the Tender Offer (see "Early Debt Redemption").

During March 2014, we issued $4.5 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $4.5 billion, net of discounts and issuance costs. The issuance consisted of the following: $0.5 billion aggregate principal amount Floating Rate Notes due 2019 that bear interest at a rate equal to the three-month LIBOR plus 0.57%

which rate will be reset quarterly; $0.5 billion aggregate principal amount of 2.55% Notes due 2019; $1.0 billion aggregate principal amount of 3.45% Notes due 2021; $1.25 billion aggregate principal amount of 4.15% Notes due 2024 and $1.25 billion aggregate principal amount of 5.05% Notes due 2034. During March 2014, the net proceeds were used to purchase notes in the Tender Offer described above.

During March 2014, Verizon Wireless redeemed $1.25 billion aggregate principal amount of the Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018 at 127.135% of the principal amount of such notes, plus accrued and unpaid interest (see "Early Debt Redemption"). Also, during March 2014, $1.0 billion of LIBOR plus 0.61% Verizon Communications Notes and $1.5 billion of 1.95% Verizon Communications Notes matured and were repaid.

During September 2014, we issued $0.9 billion aggregate principal amount of 4.85% Notes due 2044. The issuance of these Notes resulted in cash proceeds of approximately $0.9 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes. Also, during September 2014, we redeemed $0.8 billion aggregate principal amount of Verizon 1.25% Notes due November 2014 and recorded an immaterial amount of early debt redemption costs.

On October 22, 2014, we sold $6.5 billion aggregate principal amount of fixed rate notes which are expected to settle on October 29, 2014. We expect to receive cash proceeds of approximately $6.425 billion, net of discounts and issuance costs and after reimbursement of certain expenses. The sale consisted of the following: $1.5 billion aggregate principal amount of 3.00% Notes due 2021, $2.5 billion aggregate principal amount of 3.50% Notes due 2024, and $2.5 billion aggregate principal amount of 4.40% Notes due 2034. The net proceeds from the offering will be used to redeem (i) in whole the following series of outstanding notes which have been called for early redemption in November 2014: Verizon 4.90% Notes due 2015, Verizon 5.55% Notes due 2016, Verizon 3.00% Notes due 2016, Verizon 5.50% Notes due 2017, Verizon 8.75% Notes due 2018, Alltel Corporation 7.00% Debentures due 2016 and Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and (ii) $1.0 billion aggregate principal amount of Verizon 2.50% Notes due 2016. Any proceeds not used for the redemption of these notes will be used for general corporate purposes.

May Exchange Offer

On May 29, 2014, we announced the commencement of a private exchange offer (the May Exchange Offer) to exchange up to all Cellco Partnership and Verizon Wireless Capital LLC's £0.6 billion outstanding aggregate principal amount of 8.875% Notes due 2018 (the 2018 Old Notes) for Verizon's new sterling-denominated Notes due 2024 (the New Notes) and an amount of cash. This exchange offer has been accounted for as a modification of debt. In connection with the May Exchange Offer, which expired on June 25, 2014, we issued £0.7 billion aggregate principal of New Notes and made a cash payment of £22 million in exchange for £0.6 billion aggregate principal amount of tendered 2018 Old Notes. The New Notes bear interest at a rate of 4.073% per annum.

Concurrent with the issuance of the New Notes, we entered into cross currency swaps to fix our future interest and principal payments in U.S. dollars (see Note 6).

July Exchange Offers

On July 23, 2014, we announced the commencement of eleven separate private offers to exchange (the July Exchange Offers) specified series of outstanding Notes issued by Verizon and Alltel Corporation (collectively, the Old Notes) for new Notes to be issued by Verizon. The July Exchange Offers have been accounted for as a modification of debt. On August 21, 2014, Verizon issued $3.3 billion aggregate principal amount of 2.625% Notes due 2020 (the 2020 New Notes), $4.5 billion aggregate principal amount of 4.862% Notes due 2046 (the 2046 New Notes) and $3.5 billion aggregate principal amount of 5.013% Notes due 2054 (the 2054 New Notes) in satisfaction of the exchange offer consideration on tendered Old Notes (not including accrued and unpaid interest on the Old Notes). The following tables list the series of Old Notes included in the July Exchange Offers and the principal amount of each such series accepted by Verizon for exchange:

The table below lists the series of Old Notes included in the July Exchange Offers for the 2020 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	3.65%	2018	$ 4,750	$ 2,052
	2.50%	2016	4,250	1,068
				$ 3,120

The table below lists the series of Old Notes included in the July Exchange Offers for the 2046 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.40%	2033	$ 6,000	$ 1,645
	7.75%	2030	2,000	794
	7.35%	2039	1,000	520
	7.75%	2032	400	149
Alltel Corporation	7.875%	2032	700	248
	6.80%	2029	300	65
				$ 3,421

The table below lists the series of Old Notes included in the July Exchange Offers for the 2054 New Notes

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.55%	2043	$ 15,000	$ 4,330
	6.40%	2038	1,750	–
	6.90%	2038	1,250	–
				$ 4,330

Term Loan Agreement

During February 2014, we drew $6.6 billion pursuant to a term loan agreement with a group of major financial institutions to finance, in part, the Wireless Transaction. $3.3 billion of the loans under the term loan agreement had a maturity of three years (the 3-Year Loans) and $3.3 billion of the loans under the term loan agreement had a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant; affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50 to 1.00, until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

During June 2014, we issued $3.3 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $3.3 billion, net of discounts and issuance costs. The issuances consisted of the following: $1.3 billion aggregate principal amount of Floating Rate Notes due 2017 that will bear interest at a rate equal to three-month LIBOR plus 0.40% which will be reset quarterly and $2.0 billion aggregate principal amount of 1.35% Notes due 2017. We used the net proceeds from the offering of these notes to repay the 3-Year Loans on June 12, 2014.

During July 2014, we amended the term loan agreement, settled the outstanding $3.3 billion of 5-Year Loans and borrowed $3.3 billion of new loans. The new loans mature in July 2019, bear interest at a lower interest rate and require lower amortization payments in 2017 and 2018. In connection with the transaction, which primarily settled on a net basis, we recorded approximately $0.5 billion of proceeds from long-term borrowings and of repayments of long-term borrowings, respectively.

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5.0 billion aggregate principal amount of floating rate notes to Vodafone. These notes were issued in two separate series with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 (see Note 2). The eight-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR plus 1.372%.

Preferred Stock

As a result of the Wireless Transaction, we assumed long-term obligations with respect to 5.143% Class D and Class E cumulative Preferred Stock issued by one of the Purchased Entities. Both the Class D shares ($25,000 shares outstanding) and Class E shares ($25,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction.

Other Credit Facilities

On July 31, 2014, we amended our $6.2 billion credit facility to increase the availability to $8.0 billion and extend the maturity to July 31, 2018. At the same time, we terminated our $2.0 billion 364-day revolving credit agreement. As of September 30, 2014, the unused borrowing capacity under this credit facility was approximately $7.9 billion.

Early Debt Redemption

During March 2014, we recorded net debt redemption costs of $0.9 billion in connection with the early redemption of $1.25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and the purchase of the following notes pursuant to the Tender Offer: $0.7 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 6.10% Notes due 2018, $0.6 billion of the then outstanding $1.3 billion aggregate principal amount of Verizon 8.75% Notes due 2018, $0.7 billion of the then outstanding $1.25 billion aggregate principal amount of Verizon 8.95% Notes due 2016, $0.4 billion of the then outstanding $0.75 billion aggregate principal amount of Verizon 8.50% Notes due 2017, $0.6 billion of the then outstanding $1.0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, $0.2 billion of the then outstanding $0.3 billion aggregate principal amount of Alltel Corporation 7.00% Debentures due 2016 and $0.2 billion of the then outstanding $0.6 billion aggregate principal amount of GTE Corporation 6.84% Debentures due 2018.

We recognize early debt redemption costs in Other income and (expenses), net on our consolidated statements of income.

Guarantees

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries. As of September 30, 2014, $3.1 billion aggregate principal amount of these obligations remained outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, including the operating telephone company no longer being a wholly owned subsidiary of Verizon.

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of September 30, 2014, $1.4 billion aggregate principal amount of these obligations remained outstanding.

Debt Covenants

We and our consolidated subsidiaries are in compliance with all of our debt covenants.

5 Wireless Equipment Installment Plans

We offer new and existing customers the option to participate in Verizon Edge, a program that provides eligible wireless customers with the ability to pay for their handset over a period of time (an equipment installment plan) and the right to upgrade their handset after a minimum of 30 days, subject to certain conditions, including making a stated portion of the required device payments, trading in their handset in good working condition and signing a new contract with Verizon. At September 30, 2014, the guarantee liability related to this program was approximately $0.7 billion.

At the time of sale, we impute risk adjusted interest on the receivables associated with Verizon Edge. We record the imputed interest as a reduction to the related accounts receivable. Interest income, which is included within Other income and (expense), net on our condensed consolidated statements of income, is recognized over the financed installment term.

We assess the collectability of our Verizon Edge receivables based upon a variety of factors, including the credit quality of the customer base, payment trends and other qualitative factors. The current portion of our receivables related to Verizon Edge included in Accounts receivable was $1.4 billion at September 30, 2014 and was not material at December 31, 2013. The long-term portion of the equipment installment plan receivables included in Other assets was $0.6 billion at September 30, 2014 and was not material at December 31, 2013.

The credit profiles of our customers with a Verizon Edge plan are similar to those of our customers with a traditional subsidized plan. Customers with a credit profile which carries a higher risk are required to make a down payment for equipment financed through Verizon Edge.

6 Fair Value Measurements

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of September 30, 2014.

(dollars in millions)	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total
Assets				
Short-term investments				
Equity securities	$ 388	$ –	$ –	$ 388
Fixed income securities	–	247	–	247
Other assets				
Fixed income securities	–	908	–	908
Interest rate swaps	–	44	–	44
Cross currency swaps	–	9	–	9
Total	$ 388	$ 1,208	$ –	$ 1,596
Liabilities				
Other liabilities				
Forward interest rate swaps	$ –	$ 138	$ –	$ 138
Cross currency swaps and other	–	123	–	123
Total	$ –	$ 261	$ –	$ 261

[1] quoted prices in active markets for identical assets or liabilities

[2] observable inputs other than quoted prices in active markets for identical assets and liabilities

[3] no observable pricing inputs in the market

Equity securities consist of investments in common stock of domestic and international corporations measured using quoted prices in active markets.

Fixed income securities consist primarily of investments in municipal bonds that do not have quoted prices in active markets. For these securities, we use alternative matrix pricing resulting in these debt securities being classified as Level 2.

Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified within Level 2. We use mid-market pricing for fair value measurements of our derivative instruments. Our derivative instruments are recorded on a gross basis.

We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the fair value hierarchy during the nine months ended September 30, 2014.

Fair Value of Short-term and Long-term Debt

The fair value of our debt is determined using various methods, including quoted prices for identical terms and maturities, which is a Level 1 measurement, as well as quoted prices for similar terms and maturities in inactive markets and future cash flows discounted at current rates, which are Level 2 measurements. The fair value of our short-term and long-term debt, excluding capital leases, was as follows:

	At September 30, 2014		At December 31, 2013	
(dollars in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short- and long-term debt, excluding capital leases	$ 108,685	$ 121,977	$ 93,298	$ 103,527

Derivative Instruments

We enter into derivative transactions to manage our exposure to fluctuations in foreign currency exchange rates, interest rates and equity and commodity prices. We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks. We do not hold derivatives for trading purposes.

We measure all derivatives, including derivatives embedded in other financial instruments, at fair value and recognize them as either assets or liabilities on our condensed consolidated balance sheets. Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period. Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item. Changes in the fair value of the effective portions of cash flow hedges are reported in Other comprehensive loss and recognized in earnings when the hedged items are recognized in earnings.

Interest Rate Swaps

We enter into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to Interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our condensed consolidated balance sheets as assets and liabilities. The fair value of these contracts was not material at September 30, 2014 and December 31, 2013, respectively. As of September 30, 2014, the total notional amount of the interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material for the three and nine months ended September 30, 2014, respectively.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a total notional value of $2.0 billion. We designated these contracts as cash flow hedges. In March 2014, we settled these forward interest rate swaps and the pre-tax gain was not material. During the first and second quarters of 2014, we entered into forward interest rate swaps with total notional value of $0.9 billion and $3.1 billion, respectively. During the third quarter of 2014, we entered into forward interest rate swaps with a total notional value of $0.8 billion. We designated these contracts as cash flow hedges.

In October 2014, we settled $1.25 billion of forward interest rate swaps.

Cross Currency Swaps

During the first quarter of 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

During the second quarter of 2014, in connection with the May Exchange Offer, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.2 billion of Brazil's Federative Republic denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the effect of foreign currency transaction gains or losses In June 2014, we settled $0 8 billion of these cross currency swaps as part of the Exchange Offer and the gains with respect to these swaps were not material

A portion of the gains and losses recognized in Other comprehensive income (loss) was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was $0 1 billion at September 30, 2014 and was not material at December 31, 2013 During the three and nine months ended September 30, 2014 a pre-tax loss of $0 1 billion and an immaterial pre-tax loss, respectively were recognized in Other comprehensive income (loss) During the three and nine months ended September 30, 2013, a pre-tax gain of $0 1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss)

7 Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and other awards The maximum number of shares available for awards from the Plan is 119 6 million shares

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant The RSUs are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period Dividend equivalent units are also paid to participants at the time the RSU award is paid and in the same proportion as the RSU award

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting The PSU award liability is measured at its fair value at the end of each reporting period and therefore will fluctuate based on the price of Verizon common stock as well as performance relative to the targets Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award

The following table summarizes the Restricted Stock Unit and Performance Stock Unit activity

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding, January 1 2014	16 193	23,724
Granted	5,041	7,080
Payments	(6,165)	(9,153)
Cancelled/Forfeited	(229)	(252)
Outstanding, September 30, 2014	14,840	21,399

As of September 30, 2014, unrecognized compensation expense related to the unvested portion of outstanding RSUs and PSUs was approximately $0 5 billion and is expected to be recognized over approximately two years

The RSUs granted in 2014 have a weighted-average grant date fair value of $47 19 per unit

8 Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees In addition, we maintain postretirement health care and life insurance plans for our retirees and their dependents which are both contributory and non-contributory and include a limit on our share of the cost for certain recent and future retirees In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets These estimates are updated in the fourth quarter or upon a remeasurement event to reflect actual return on plan assets and updated actuarial assumptions The adjustment will be recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains and losses

Net Periodic Benefit (Income) Cost

The following table summarizes the benefit (income) cost related to our pension and postretirement health care and life insurance plans

(dollars in millions)	Pension		Health Care and Life	
Three Months Ended September 30,	**2014**	**2013**	**2014**	**2013**
Service cost	$ 82	$ 99	$ 65	$ 79
Amortization of prior service cost (credit)	(2)	2	(63)	(62)
Expected return on plan assets	(296)	(311)	(41)	(36)
Interest cost	259	251	277	273
Net periodic benefit cost	$ 43	$ 41	$ 238	$ 254

(dollars in millions)	Pension		Health Care and Life	
Nine Months Ended September 30,	**2014**	**2013**	**2014**	**2013**
Service cost	$ 245	$ 296	$ 194	$ 238
Amortization of prior service cost (credit)	(6)	5	(190)	(185)
Expected return on plan assets	(886)	(933)	(122)	(108)
Interest cost	777	752	831	821
Remeasurement gain, net	-	(237)	-	-
Net periodic benefit (income) cost	$ 130	$ (117)	$ 713	$ 766

Pension Remeasurement

During the three and six months ended June 30, 2013, we recorded net pre-tax pension remeasurement credits of approximately $0 2 billion, in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur The pension remeasurement credits relate to settlements for employees who received lump-sum distributions The credits were primarily driven by an approximately 75 basis point increase in our discount rate assumption used to determine the current year liabilities of one of our pension plans The change in discount rate resulted in a gain of $0 3 billion partially offset by a loss resulting from the difference between our expected return on assets assumption of 7 5% at December 31, 2012 and our annualized actual return on assets of 7 2% at June 30 2013, as well as other losses ($0 1 billion) Our weighted-average discount rate assumption increased from 4 2% at December 31 2012 to 5 0% at June 30 2013

During the three months ended September 30, 2013 as a result of the settlements noted above, we performed a pension remeasurement in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur This remeasurement was not material to our condensed consolidated statement of income for the period

During October 2014, the Society of Actuaries finalized new actuarial tables for applying mortality assumptions to measure qualified defined benefit plan and other post-employment benefit obligations We are currently evaluating the impact these new tables may have on our condensed consolidated financial statements, which may be material

Severance Payments

During the three and nine months ended September 30, 2014, we paid severance benefits of $0 1 billion and $0 4 billion, respectively At September 30, 2014, we had a remaining severance liability of $0.4 billion, a portion of which includes future contractual payments to employees separated as of September 30, 2014

Employer Contributions

During the three and nine months ended September 30, 2014, we contributed $0 2 billion and $1 1 billion, respectively, to our other postretirement benefit plans During the three and nine months ended September 30, 2014, we contributed $0 7 billion and $1 5 billion, respectively to our qualified pension plans The contributions to our nonqualified pension plans were $0 1 billion during the three and nine months ended September 30, 2014 There have been no material changes with respect to the qualified and nonqualified pension contributions in 2014 as previously disclosed in Part II Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31 2013

9 Equity and Accumulated Other Comprehensive Income

Equity

Changes in the components of total equity were as follows

(dollars in millions)	Attributable to Verizon	Noncontrolling Interests	Total Equity
Balance at January 1 2014	$ 38,856	$ 56,560	$ 95,416
Net income	11,856	2,288	14,144
Other comprehensive loss	(1,183)	(23)	(1,206)
Comprehensive income	10,673	2,265	12,938
Issuance of common stock	127	-	127
Contributed capital	(26,850)	-	(26,850)
Dividends declared	(6,674)	-	(6,674)
Common stock in treasury	496		496
Purchase of noncontrolling interest	-	(55,960)	(55,960)
Distributions and other	(31)	(1,452)	(1,483)
Balance at September 30, 2014	$ 16,577	$ 1,391	$ 17,968

The changes in Common stock, Contributed capital and Purchase of noncontrolling interest are primarily due to the completion of the Wireless Transaction on February 21 2014 See Note 2 for additional information

Prior to the closing of the Wireless Transaction noncontrolling interests included in our condensed consolidated financial statements primarily consisted of Vodafone's 45% ownership interest in Verizon Wireless The noncontrolling interests that remain after the completion of the Wireless Transaction primarily relate to wireless partnership entities

Common Stock

As a result of the Wireless Transaction, Verizon issued approximately 1 27 billion shares of Verizon common stock

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans including 8 1 million common shares issued from Treasury stock during the nine months ended September 30, 2014, which had an aggregate value of $0 4 billion

Accumulated Other Comprehensive Income

The changes in the balances of Accumulated other comprehensive income by component are as follows

(dollars in millions)	Foreign currency translation adjustments	Unrealized loss on cash flow hedges	Unrealized loss on marketable securities	Defined benefit pension and postretirement plans	Total
Balance at January 1, 2014	$ 853	$ 113	$ 117	$ 1,275	$ 2,358
Other comprehensive income (loss)	(143)	99	14	–	(30)
Amounts reclassified to net income	(911)	(110)	(15)	(117)	(1,153)
Net other comprehensive loss	(1,054)	(11)	(1)	(117)	(1,183)
Balance at September 30, 2014	$ (201)	$ 102	$ 116	$ 1,158	$ 1,175

The amounts presented above in net other comprehensive loss are net of taxes and noncontrolling interests which are not significant For the nine months ended September 30, 2014 the amounts reclassified to net income related to foreign currency translation adjustments are included in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income and are a result of the completion of the Omnitel Transaction See Note 2 for additional details For the nine months ended September 30, 2014, the amounts reclassified to net income related to defined benefit pension and postretirement plans were included in Cost of services and sales and Selling, general and administrative expense on our condensed consolidated statement of income For the nine months ended September 30, 2014, all other amounts reclassified to net income were included in Other income and (expense) net on our condensed consolidated statement of income

10. Segment Information

Reportable Segments

We have two reportable segments which we operate and manage as strategic business units and organize by products and services We measure and evaluate our reportable segments based on segment operating income, consistent with the chief operating decision maker's assessment of segment performance

Corporate, eliminations and other includes unallocated corporate expenses intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, pension and other employee benefit related costs, lease financing as well as the historical results of divested operations and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate, eliminations and other The impact of this reclassification was not material to our condensed consolidated financial statements or our segment results of operations

On July 1, 2014, our Wireline segment divested a non-strategic business (see Note 2) Accordingly, the historical Wireline results for these operations have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results

Our segments and their principal activities consist of the following

Segment	Description
Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world

The following table provides operating financial information for our two reportable segments

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
External Operating Revenues				
Wireless				
Retail service	$ 17,543	$ 16,764	$ 52,052	$ 49,327
Other service	794	737	2,313	1,950
Service revenue	18,337	17,501	54,365	51,277
Equipment	2,479	1,921	6,735	5,679
Other	991	952	3,011	2,866
Total Wireless	21,807	20,374	64,111	59,822
Wireline				
Consumer retail	3,902	3,735	11,606	11,020
Small business	613	637	1,858	1,907
Mass Markets	4,515	4,372	13,464	12,927
Strategic services	2,068	2,044	6,207	6,055
Core	1,315	1,490	4,097	4,575
Global Enterprise	3,383	3,534	10,304	10,630
Global Wholesale	1,307	1,374	3,979	4,230
Other	119	109	366	321
Total Wireline	9,324	9,389	28,113	28,108
Total segments	31,131	29,763	92,224	87,930
Corporate, eliminations and other	455	516	1,663	1,555
Total consolidated – reported	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Intersegment Revenues				
Wireless	$ 28	$ 25	$ 86	$ 76
Wireline	252	268	756	804
Total segments	280	293	842	880
Corporate, eliminations and other	(280)	(293)	(842)	(880)
Total consolidated – reported	$ –	$ –	$ –	$ –
Total Operating Revenues				
Wireless	$ 21,835	$ 20,399	$ 64,197	$ 59,898
Wireline	9,576	9,657	28,869	28,912
Total segments	31,411	30,056	93,066	88,810
Reconciling items	175	223	821	675
Total consolidated – reported	$ 31,586	$ 30,279	$ 93,887	$ 89,485
Operating Income				
Wireless	$ 6,955	$ 6,886	$ 21,258	$ 19,768
Wireline	225	147	619	216
Total segments	7,180	7,033	21,877	19,984
Reconciling items	(290)	95	(142)	(79)
Total consolidated – reported	$ 6,890	$ 7,128	$ 21,735	$ 19,905

(dollars in millions)	At September 30, 2014	At December 31, 2013
Assets		
Wireless	$ 158,443	$ 146,429
Wireline	80,135	84,573
Total segments	238,578	231,002
Corporate, eliminations and other	(12,285)	43,096
Total consolidated – reported	$ 226,293	$ 274,098

Corporate eliminations and other at December 31, 2013 is primarily comprised of cash and cash equivalents which were used to complete the Wireless Transaction on February 21, 2014

A reconciliation of the segment operating revenues to consolidated operating revenues is as follows

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Total segment operating revenues	$ 31,411	$ 30,056	$ 93,066	$ 88,810
Impact of divested operations (Note 2)	–	157	256	466
Corporate, eliminations and other	175	66	565	209
Total consolidated operating revenues	$ 31,586	$ 30,279	$ 93,887	$ 89,485

A reconciliation of the total of the reportable segments' operating income to consolidated income before provision for income taxes is as follows

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Total segment operating income	$ 7,180	$ 7,033	$ 21,877	$ 19,984
Gain on spectrum license transactions (Note 2)	–	278	707	278
Pension remeasurement (Note 8)	–	–	–	237
Impact of divested operations (Note 2)	–	8	32	26
Corporate, eliminations and other	(290)	(191)	(861)	(620)
Total consolidated operating income	6,890	7,128	21,735	19,905
Equity in earnings (losses) of unconsolidated businesses	(48)	19	1,811	134
Other income and (expense) net	71	20	(757)	84
Interest expense	(1,255)	(1,220)	(3,633)	(3,606)
Income Before Provision For Income Taxes	$ 5,658	$ 5,947	$ 19,156	$ 16,517

We generally account for intersegment sales of products and services and asset transfers at current market prices No single customer accounted for more than 10% of our total operating revenues during the three and nine months ended September 30, 2014 and 2013

11. Commitments and Contingencies

In the ordinary course of business Verizon is involved in various commercial litigation and regulatory proceedings at the state and federal level Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter the Company establishes an accrual In none of the currently pending matters is the amount of accrual material An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings including (1) uncertain damage theories and demands, (2) a less than complete factual record, (3) uncertainty concerning legal theories and their resolution by courts or regulators, and (4) the unpredictable nature of the opposing party and its demands We continue to monitor these proceedings as

they develop and adjust any accrual or disclosure as needed We do not expect that the ultimate resolution of any pending regulatory or legal matter in future periods, including the Hicksville matter described below, will have a material effect on our financial condition, but it could have a material effect on our results of operations for a given reporting period

During 2003, under a government-approved plan remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Verizon is currently involved in approximately 70 federal district court actions alleging that Verizon is infringing various patents Most of these cases are brought by non-practicing entities and effectively seek only monetary damages a small number are brought by companies that have sold products and seek injunctive relief as well These cases have progressed to various stages and a small number may go to trial in the coming 12 months if they are not otherwise resolved

In connection with the execution of agreements for the sales of businesses and investments Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters such as ownership of the securities being sold as well as indemnity from certain financial losses From time to time, counterparties may make claims under these provisions, and Verizon will seek to defend against those claims and resolve them in the ordinary course of business

Subsequent to the sale of Verizon Information Services Canada in 2004, we continue to provide a guarantee to publish directories, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions) The pre-existing guarantee continues without modification, despite the subsequent sale of Verizon Information Services Canada and the spin-off of our domestic print and Internet yellow pages directories business The possible financial impact of the guarantee which is not expected to be adverse cannot be reasonably estimated as a variety of potential outcomes available under the guarantee result in costs and revenues or benefits that may offset each other We do not believe performance under the guarantee is likely

Verizon Communications Inc. (Verizon or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies. With a presence in over 150 countries around the world, we offer voice, data and video services and solutions on our wireless and wireline networks that are designed to meet customers' demand for mobility, reliable network connectivity, security and control. We have two reportable segments, Wireless and Wireline. Our wireless business, operating as Verizon Wireless, provides voice and data services and equipment sales across the United States using one of the most extensive and reliable wireless networks. Our wireline business provides consumer, business and government customers with communications products and services, including broadband data and video services, network access, voice, long distance and other communications products and services, and also owns and operates one of the most expansive end-to-end global Internet Protocol (IP) networks. We have a highly skilled, diverse and dedicated workforce of approximately 178,500 employees as of September 30, 2014.

In recent years, Verizon has embarked upon a strategic transformation as advances in technology have changed the ways that our customers interact in their personal and professional lives and that businesses operate. To meet the changing needs of our customers and address the changing technological landscape, we are focusing our efforts around higher margin and growing areas of our business: wireless data, wireline data and Strategic services, including cloud computing services.

Our strategy requires significant capital investments primarily to acquire wireless spectrum, put the spectrum into service, provide additional capacity for growth in our wireless and wireline networks, invest in the fiber optic network that supports our wireless and wireline businesses, maintain our wireless and wireline networks and develop and maintain significant advanced information technology systems and data system capabilities. We believe that steady and consistent investments in networks and platforms will drive innovative products and services and fuel our growth. Our wireless and wireline networks will continue to be the hallmark of our brand and provide the fundamental strength upon which we build our competitive advantage.

On February 21, 2014, we completed the acquisition of Vodafone Group Plc's (Vodafone) indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless for aggregate consideration of approximately $130 billion (the Wireless Transaction). The consideration paid was primarily comprised of cash of approximately $58.89 billion and Verizon common stock with a value of approximately $61.3 billion. See "Acquisitions and Divestitures" for additional information.

In our Wireless business, during the three months ended September 30, 2014 compared to the similar period in 2013, revenue growth of 7.0% was driven by service revenue growth of 4.8% as the demand for fourth-generation (4G) Long-Term Evolution (LTE) smartphones and tablets continues. Also contributing to the increase in Wireless revenue was equipment revenue growth of 28.9% driven by higher sales of equipment under both the traditional subsidy model and Verizon Edge. At September 30, 2014, retail postpaid connections were 5.2% higher than at September 30, 2013, with smartphones representing 77% of our retail postpaid phone base at September 30, 2014 compared to 67% at September 30, 2013. Also during the three months ended September 30, 2014, postpaid smartphone activations represented 91% of phones activated compared to 85% in the similar period in 2013.

Now that we have substantially completed the deployment of our 4G LTE network, we are focusing the capital spending in our Wireless business on adding capacity and density to our existing 4G LTE network. Our 4G LTE network is available to *approximately 98% of the U.S. population in more than 500 markets and covering approximately 308 million people, including* those in areas served by our LTE in Rural America partners. Our 4G LTE network provides higher data throughput performance for data services at lower cost compared to those provided via third-generation (3G) networks. In May 2014, we announced the deployment of Advanced Wireless Services (AWS) spectrum in our 4G LTE network. This additional bandwidth, which we refer to as XLTE, provides additional network capacity and is currently available in more than 400 markets. Nearly all of the devices Verizon Wireless currently sells can operate on XLTE. Nearly 79% of our total data traffic in September 2014 was carried on our 4G LTE network.

On February 13, 2014, we introduced our More Everything ® plans which replaced our Share Everything ® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among multiple devices connected to the Verizon Wireless network. As of September 30, 2014, More Everything accounts represented approximately 57% of our retail postpaid accounts compared to Share Everything plans representing approximately 41% of our retail postpaid accounts as of September 30, 2013. Verizon Wireless offers shared data plans for business, with More Everything plans for Small business and the Nationwide Business Data Packages and Plans.

In our Wireline business, revenues declined 0.8% during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to revenue declines in Global Enterprise Core and Global Wholesale. These decreases were partially offset by revenue increases in Consumer retail driven by FiOS. FiOS represented approximately 76% of Consumer retail revenue during the three months ended September 30, 2014 compared to approximately 71% during the similar period in 2013. As the penetration of FiOS products increases, we continue to seek ways to increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are developed for this high speed service, we expect that FiOS will become a hub for managing multiple home services that will eventually be part of the digital grid, including not just entertainment and communications but also machine-to-machine communications such as home monitoring, health monitoring, energy management and utilities management.

We continue to enrich the customer value proposition and drive investment returns by creating new and innovative services on our FiOS platform. During 2014, Verizon announced the introduction of FiOS Quantum TV, which provides FiOS TV customers with new features including the ability to record up to 12 shows at once and control live TV from any room in their home. This new service is now available everywhere that FiOS TV is offered. With our FiOS Quantum broadband service, residential and small business customers can achieve symmetrical upload and download speeds up to 500 megabytes per second, which we refer to as SpeedMatch ™.

Also in our Wireline business, total Global Enterprise and Global Wholesale revenues decreased due to declines in core services, primarily as a result of lower voice services and data networking revenues as well as the contraction of market rates due to competition. To compensate for the shrinking market for traditional voice services, we continue to build our Wireline segment around data, video and advanced business services – areas where demand for reliable, high-speed connections is growing. During the three months ended September 30, 2014, Strategic services revenues totaled $2.1 billion and represented 61% of total Global Enterprise revenues.

We are investing in innovative technology like wireless networks, high-speed fiber and cloud services to position ourselves at the center of growth trends of the future. During the nine months ended September 30, 2014, these investments included capital *expenditures of $12.6 billion, acquisitions of wireless licenses of $0.3 billion and acquisitions of investments and businesses of* $0.2 billion. During the nine months ended September 30, 2014, we also completed spectrum license transactions and, as a result, we received proceeds of $2.4 billion. See "Cash Flows Used in Investing Activities" and "Acquisitions and Divestitures" for additional information.

By investing in our own capabilities, we are also investing in the markets we serve by providing our communities with an efficient, reliable infrastructure for competing in the information economy. We are committed to putting our customers first and being a responsible member of our communities. Guided by this commitment and by our core values of integrity, respect, performance excellence and accountability, we believe we are well-positioned to produce a long-term return for our shareowners, create meaningful work for ourselves and provide something of lasting value for society.

Trends

We expect the activation of devices on Verizon Edge to contribute positively to our consolidated operating income and our Wireless segment operating income. As more customers adopt Verizon Edge, we expect total postpaid ARPA (the average revenue per account from retail postpaid accounts) and service revenue to continue to be negatively impacted, and we expect equipment and other revenue to continue to be positively impacted.

There have been no significant changes to the information related to trends affecting our business that was disclosed in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013, except to the extent described above.

In this section, we discuss our overall results of operations and highlight items of a non-operational nature that are not included in our segment results. We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. In "Segment Results of Operations," we review the performance of our two reportable segments.

On February 21, 2014, we completed the acquisition of Vodafone's indirect 45% interest in Verizon Wireless. As a result, our results reflect our 55% ownership of Verizon Wireless through the closing of the Wireless Transaction and reflect our full ownership of Verizon Wireless from the closing of the Wireless Transaction through September 30, 2014.

Corporate eliminations and other includes unallocated corporate expenses such as certain pension and other employee benefit related costs, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, lease financing, as well as the historical results of divested operations and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance. We believe that this presentation assists users of our financial statements in better understanding our results of operations and trends from period to period. Effective January 1, 2014, we have also reclassified the results of certain businesses, such as development stage businesses that support our strategic initiatives, from our Wireline segment to Corporate eliminations and other. The impact of this reclassification was not material to our condensed consolidated financial statements or our segment results of operations.

On July 1, 2014, our Wireline segment divested a non-strategic business (see "Acquisitions and Divestitures"). Accordingly, the historical Wireline results for these operations, which were not material to our condensed consolidated financial statements or our segment results of operations, have been reclassified to Corporate eliminations and other to reflect comparable segment operating results. The results of operations related to this divestiture included within Corporate, eliminations and other are as follows:

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Impact of Divested Operations				
Operating revenues	$ –	$ 157	$ 256	$ 466
Cost of services and sales	–	142	239	423
Selling, general and administrative expense	–	7	5	17

Consolidated Revenues

(dollars in millions)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	Increase/ (Decrease)	
Wireless								
Service revenue	$ 18,556	$ 17,536	$ 840	4.8%	$ 54,421	$ 51,322	$ 3,099	6.0%
Equipment and other	3,479	2,883	596	20.7	9,776	8,576	1,200	14.0
Total	21,835	20,399	1,436	7.0	64,197	59,898	4,299	7.2
Wireline								
Mass Markets	4,515	4,374	141	3.2	13,464	12,932	532	4.1
Global Enterprise	3,384	3,539	(155)	(4.4)	10,313	10,619	(306)	(2.9)
Global Wholesale	1,552	1,631	(79)	(4.8)	4,713	4,992	(279)	(5.6)
Other	125	113	12	10.6	379	359	20	5.6
Total	9,576	9,657	(81)	(0.8)	28,869	28,902	(33)	(0.1)
Corporate eliminations and other	175	223	(48)	(21.5)	821	675	146	21.6
Consolidated Revenues	$ 31,586	$ 30,279	$ 1,307	4.3	$ 93,887	$ 89,485	$ 4,402	4.9

The increase in consolidated revenues during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily due to higher revenues at Wireless, as well as higher Mass Markets revenues driven by FiOS services at our Wireline segment. Partially offsetting these increases were lower Global Enterprise and Global Wholesale revenues at our Wireline segment.

Wireless revenues increased $1.4 billion or 7.0%, and $4.3 billion or 7.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 due to growth in service revenue and equipment and other revenue. The increase in service revenue during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of 4G LTE smartphones and tablets through our More Everything plans. Equipment and other revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in equipment sales, driven by sales of equipment under both the traditional subsidy model and Verizon Edge. During the three and nine months ended September 30, 2014, retail postpaid connection net additions increased compared to the similar periods in 2013 primarily due to an increase in retail postpaid connection gross additions, partially offset by an increase in our retail postpaid connection churn rate. Retail postpaid connections per account increased as of September 30, 2014 compared to September 30, 2013 primarily due to the increased penetration of tablets.

Wireline's revenues decreased 0.8% and 0.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of declines in Global Enterprise Core and Global Wholesale, partially offset by higher Mass Market revenues driven by FiOS services. During the nine months ended September 30, 2014, the decrease in Wireline's revenues was also partially offset by increased Strategic service revenues within Global Enterprise.

Mass Markets revenues increased $0.1 billion or 3.3%, and $0.5 billion or 4.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the expansion of FiOS services (Voice, Internet and Video), including our FiOS Quantum offerings, as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased $0.2 billion or 4.4% and $0.3 billion or 3.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to lower voice services and data networking revenues, the contraction of market rates due to competition and a decline in Core customer premise equipment revenues. This decrease during the nine months ended September 30, 2014 was partially offset by increases in Strategic services revenues, primarily due to increases in our application services, such as our cloud and data center offerings.

Global Wholesale revenues decreased $0.1 billion or 4.8%, and $0.3 billion or 5.6%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline in traditional voice revenues and a decline in domestic wholesale connections, partially offset by Ethernet migrations from core customers as well as continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities.

Consolidated Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 12,252	$ 10,960	$ 1,292	11.8%	$ 35,528	$ 32,925	$ 2,603	7.9%
Selling, general and administrative expense	8,277	8,037	240	3.0	24,159	24,232	(73)	(0.3)
Depreciation and amortization expense	4,167	4,154	13	0.3	12,465	12,423	42	0.3
Consolidated Operating Expenses	$ 24,696	$ 23,151	$ 1,545	6.7	$ 72,152	$ 69,580	$ 2,572	3.7

Cost of Services and Sales

Cost of services and sales increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in cost of equipment sales of $1.4 billion and $2.7 billion, respectively, at our Wireless segment as a result of an increase in the number of devices sold.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to gains recorded during the third quarter of 2013 related to the completion of wireless license transactions. Partially offsetting this increase was a decline in sales commission expense at our Wireless segment.

Selling, general and administrative expense decreased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to larger gains recorded during 2014 related to the completion of wireless license transactions, as compared to gains recorded during 2013 related to the completion of wireless license transactions, partially offset by a pension remeasurement credit recorded during 2013.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in net depreciable assets at our Wireless segment.

Non-operational Credits

Non-operational credits included in operating expenses were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Gain on spectrum license transactions	$ –	$ 278	$ 707	$ 278
Pension remeasurement	–	–	–	237

See "Other Items" for a description of non-operational items.

Consolidated Operating Income and EBITDA

Consolidated earnings before interest, taxes, depreciation and amortization expenses (Consolidated EBITDA) and Consolidated Adjusted EBITDA, which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in earnings (losses) of unconsolidated businesses and other income and (expense), net to net income.

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items and the impact of divested operations from the calculation of Consolidated EBITDA. Management believes that this measure provides additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. See "Other Items" for additional details regarding these non-operational items.

Operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates will be updated in the fourth quarter or upon a remeasurement event to reflect actual return on plan assets and updated actuarial assumptions. The adjustment will be recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses. These remeasurements could result in significant charges or credits to one or more of our pension plans.

During the second quarter of 2013, we recorded pension remeasurements in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur. During the third quarter of 2013, as a result of the previously recorded settlements, we performed a pension remeasurement, which was not material.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Consolidated Operating Income	$ 6,890	$ 7,128	$ 21,735	$ 19,905
Add Depreciation and amortization expense	4,167	4,154	12,465	12,423
Consolidated EBITDA	$ 11,057	$ 11,282	$ 33,200	$ 32,328
Less Gain on spectrum license transactions	–	(278)	(707)	(278)
Less Pension remeasurement	–	–	–	(237)
Less Impact of divested operations	–	(8)	(12)	(26)
Consolidated Adjusted EBITDA	$ 11,057	$ 10,996	$ 33,481	$ 31,787

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were a result of the factors described in connection with operating revenues and operating expenses.

Other Consolidated Results

Equity in Earnings (Losses) of Unconsolidated Businesses

Equity in earnings (losses) of unconsolidated businesses decreased $0.1 billion during the three months ended September 30, 2014, compared to the similar period in 2013, primarily due to the sale of our interest in Vodafone Omnitel N.V. (Vodafone Omnitel) during the first quarter of 2014, which was part of the consideration for the Wireless Transaction.

Equity in earnings (losses) of unconsolidated businesses increased $1.7 billion during the nine months ended September 30, 2014, compared to the similar period in 2013, primarily due to the gain of $1.9 billion recorded on the sale of our interest in Vodafone Omnitel during the first quarter of 2014.

Other Income and (Expense), Net

Additional information relating to Other income and (expense), net is as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Interest income	$ 28	$ 14	$ 14	100.0%	$ 72	$ 41	$ 31	75.6%
Other, net	43	6	37	nm	(829)	43	(872)	nm
Total	$ 71	$ 20	$ 51	nm	$ (757)	$ 84	$ (841)	nm

nm – not meaningful

Other income and (expense), net decreased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to net early debt redemption costs of $0.9 billion recorded during the first quarter of 2014 (see "Other Items").

Interest Expense

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Total interest costs on debt balances	$ 1,331	$ 745	$ 586	78.7%	$ 3,957	$ 2,159	$ 1,798	83.3%
Less capitalized interest costs	76	190	(114)	(60.0)	324	553	(229)	(41.4)
Total	$ 1,255	$ 555	$ 700	nm	$ 3,633	$ 1,606	$ 2,027	nm
Average debt outstanding	$ 109,503	$ 56,636			$ 107,034	$ 54,524		
Effective interest rate	4.9%	5.3%			4.9%	5.3%		

nm – not meaningful

Total interest costs on debt balances increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the issuance of fixed and floating rate notes to finance the Wireless Transaction (see "Acquisitions and Divestitures") resulting in an increase in average debt and a corresponding increase in interest expense, partially offset by a lower effective interest rate (see "Consolidated Financial Condition"). Capitalized interest costs were lower during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decrease in wireless licenses that are currently under development.

Provision for Income Taxes

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Provision for income taxes	$ 1,864	$ 1,034	$ 830	80.3%	$ 5,052	$ 2,886	$ 2,166	75.1%
Effective income tax rate	32.9%	15.6%			26.4%	15.6%		

The effective income tax rate is calculated by dividing the provision for income taxes by income before the provision for income taxes. *As a result of the completion of the Wireless Transaction, the difference in the effective income tax rate as compared to the* statutory federal income tax rate will no longer be significant due to the inclusion of income within our income before the provision for income taxes that was previously attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership. Prior to the completion of the Wireless Transaction, our annual effective income tax rate was significantly lower than the statutory federal income tax rate due to the inclusion of income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership within our income before the provision for income taxes, which resulted in our effective income tax rate being 16.1 and 15.4 percentage points lower during the three and nine months ended September 30, 2013, respectively.

The increase in the provision for income taxes and the effective income tax rate during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 is primarily due to increased income taxes on the incremental income included in Verizon's post-acquisition income before the provision for income taxes resulting from the acquisition of Vodafone's indirect 45% interest in Verizon Wireless on February 21, 2014. The increase during the nine months ended September 30, 2014 compared to the similar period in 2013 was partially offset by the utilization of certain tax credits in the current period.

Unrecognized Tax Benefits

Unrecognized tax benefits were $1.8 billion at September 30, 2014 and $2.1 billion at December 31, 2013. Interest and penalties related to unrecognized tax benefits were $0.2 billion (after-tax) and $0.3 billion (after-tax) at September 30, 2014 and December 31, 2013, respectively. The decrease in unrecognized tax benefits was primarily due to the resolution of issues with the Internal Revenue Service (IRS) involving tax years 2007 through 2009, partially offset by an increase in unrecognized tax benefits related to the acquisition of Vodafone's indirect 45% interest in Verizon Wireless. The uncertain tax benefits related to the acquisition of Vodafone's indirect 45% interest in Verizon Wireless concern pre-acquisition tax controversies and are the subject of an indemnity from Vodafone for which a corresponding indemnity asset has been established.

Verizon and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state, local and foreign jurisdictions. As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions for various open tax years. Significant tax examinations and litigation are ongoing in New York City for tax years as early as 2000. It is reasonably possible that the amount of the liability for unrecognized tax benefits could change by a significant amount in the next twelve months. An estimate of the range of the possible change cannot be made until these tax matters are further developed or resolved.

Net Income Attributable to Noncontrolling Interests

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Net income attributable to noncontrolling interests	$ 99	$ 3,346	$ (3,247)	(97.0)%	$ 2,248	$ 9,201	$ (6,953)	(75.6)%

The decrease in Net income attributable to noncontrolling interests during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily due to the completion of the Wireless Transaction on February 21, 2014. As a result, our results reflect our 55% ownership of Verizon Wireless through the closing of the Wireless Transaction and reflect our full ownership of Verizon Wireless from the closing of the Wireless Transaction through September 30, 2014. The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnership entities.

Segment Results of Operations

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income. The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance.

Segment earnings before interest, taxes, depreciation and amortization (Segment EBITDA), which is presented below, is a non-GAAP measure and does not purport to be an alternative to operating income as a measure of operating performance. Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income.

Wireless Segment EBITDA service margin, also presented below, is calculated by dividing Wireless Segment EBITDA by Wireless service revenues. Wireless Segment EBITDA service margin utilizes service revenues rather than total revenues. Service revenues primarily exclude equipment revenues in order to reflect the impact of providing service to the wireless customer base on an ongoing basis. Wireline EBITDA margin is calculated by dividing Wireline EBITDA by total Wireline revenues.

Wireless

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership was formed as a joint venture in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. Prior to the completion of the Wireless Transaction, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, the Wireless Transaction was completed and Verizon acquired 100% ownership of Verizon Wireless. Verizon Wireless provides wireless communications services across one of the most extensive wireless networks in the United States.

We provide these services and equipment sales to consumer, business and government customers in the United States on a postpaid and prepaid basis. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance and usage beyond the allowances is billed monthly in arrears. Our prepaid service enables individuals to obtain wireless services without a long term contract or credit verification by paying for all services in advance.

Operating Revenues and Selected Operating Statistics

(dollars in millions, except ARPA)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Retail service	$ 17,556	$ 16,776	$ 780	4.6%	$ 52,090	$ 49,367	$ 2,723	5.5%
Other service	800	740	60	8.1	2,331	1,955	376	19.2
Service revenue	18,356	17,516	840	4.8	54,421	51,322	3,099	6.0
Equipment	2,480	1,924	556	28.9	6,737	5,690	1,047	18.4
Other	999	959	40	4.2	3,039	2,886	153	5.3
Equipment and other	3,479	2,883	596	20.7	9,776	8,576	1,200	14.0
Total Operating Revenues	$ 21,835	$ 20,399	$ 1,436	7.0	$ 64,197	$ 59,898	$ 4,299	7.2
Connections (000) [1]								
Retail connections					106,156	101,150	5,006	4.9
Retail postpaid connections					100,103	95,185	4,918	5.2
Net additions in period (000) [2]								
Retail connections	1,525	1,061	464	43.7	5,501	2,819	682	24.2
Retail postpaid connections	1,516	927	589	63.5	3,496	2,545	951	37.4
Churn Rate								
Retail connections	1.29%	1.28%			1.30%	1.27%		
Retail postpaid connections	1.00%	0.97%			1.00%	0.97%		
Account Statistics								
Retail postpaid ARPA	$ 161.24	$ 155.74	$ 5.50	3.5	$ 160.21	$ 152.84	$ 7.37	4.8
Retail postpaid accounts (000) [1]					35,435	34,972	463	1.3
Retail postpaid connections per account [1]					2.83	2.72	0.10	3.7

[1] As of end of period.
[2] Excluding acquisitions and adjustments.

Wireless total operating revenues increased by $1.4 billion or 7.0% and $4.3 billion or 7.2%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of growth in service revenue and equipment revenue.

Accounts and Connections

Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Accounts include More Everything plans and corporate accounts, as well as legacy single connection plans and family plans. A single account may receive monthly wireless services for a variety of connected devices. Retail connections represent our retail customer device connections. Churn is the rate at which service to connections is terminated.

Retail connections under an account may include smartphones, basic phones, tablets and other Internet devices as well as Home Phone Connect and Home Fusion. We expect to continue to experience retail connection growth based on network service quality and the strength of our product offerings. Retail postpaid connection net additions increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in retail postpaid connection gross additions, partially offset by an increase in our retail postpaid connection churn rate. Higher retail postpaid connection gross additions were driven by gross additions of tablets as well as smartphones. During the three and nine months ended September 30, 2014, our retail postpaid connection net additions included approximately 1,074 million and 2.858 million tablets, respectively, as compared to 246 thousand and 824 thousand tablets, respectively, in the similar periods in 2013.

Retail Postpaid Connections per Account

Retail postpaid connections per account is calculated by dividing the total number of retail postpaid connections by the number of retail postpaid accounts as of the end of the period. Retail postpaid connections per account increased 3.7% as of September 30, 2014 compared to September 30, 2013, primarily due to the increased penetration of tablets.

Service Revenue

Service revenue increased by $0.8 billion or 4.8%, and $3.1 billion or 6.0% respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of 4G LTE smartphones and tablets through our More Everything plans. The penetration of 4G LTE smartphones was driven by the activation of smartphones by new customers as well as existing customers migrating from basic phones and 3G smartphones to 4G LTE smartphones.

The increase in retail postpaid ARPA, which excludes recurring equipment installment billings related to Verizon Edge, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. As of September 30, 2014, we experienced a 3.7% increase in retail postpaid connections per account, compared to September 30, 2013, with smartphones representing 77% of our retail postpaid phone base as of September 30, 2014 compared to 67% as of September 30, 2013. The increased penetration in retail postpaid connections per account is primarily due to increases in Internet data devices, which represented 13.1% of our retail postpaid connection base as of September 30, 2014 compared to 10.2% as of September 30, 2013, primarily due to tablet activations. Additionally, during the nine months ended September 30, 2014, postpaid smartphone activations represented 91% of phones activated compared to 85% in the similar period in 2013.

Other service revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 due to growth in wholesale connections.

Equipment and Other Revenue

Equipment and other revenue increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in equipment sales, driven by sales of equipment under both the traditional subsidy model and Verizon Edge.

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 7,043	$ 5,652	$ 1,391	24.6%	$ 19,641	$ 17,102	$ 2,539	14.8%
Selling, general and administrative expense	5,698	5,801	(103)	(1.8)	16,991	16,915	76	0.4
Depreciation and amortization expense	2,139	2,060	79	3.8	6,307	6,113	194	3.2
Total Operating Expenses	$ 14,880	$ 13,513	$ 1,367	10.1	$ 42,939	$ 40,130	$ 2,809	7.0

Cost of Services and Sales

Cost of services and sales increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to an increase in cost of equipment sales of $1.4 billion and $2.7 billion, respectively, as a result of an increase in the number of devices sold. The increase for the nine months ended September 30, 2014 was also due to an increase in cost of network services, partially offset by a decrease in cost of data services and decreased data roaming.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased during the three months ended September 30, 2014 compared to the similar period in 2013 primarily due to a decline of $0.1 billion in sales commission expense largely driven by the adoption of Verizon Edge.

Selling, general and administrative expense increased during the nine months ended September 30, 2014 compared to the similar period in 2013 primarily due to higher advertising expense and gains recorded in the first quarter of 2013 related to wireless license exchange agreements, partially offset by lower salary expense and a decline of $0.2 billion in sales commission expense.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily driven by an increase in net depreciable assets.

Segment Operating Income and EBITDA

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Segment Operating Income	$ 6,955	$ 6,886	$ 69	1.0%	$ 21,258	$ 19,768	$ 1,490	7.5%
Add Depreciation and amortization expense	2,139	2,060	79	3.8	6,307	6,113	194	3.2
Segment EBITDA	$ 9,094	$ 8,946	$ 148	1.7	$ 27,565	$ 25,881	$ 1,684	6.5
Segment operating income margin	31.9%	33.8%			33.1%	33.0%		
Segment EBITDA service margin	49.5%	51.1%			50.7%	50.4%		

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-operational items excluded from our Wireless segment Operating income were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Gain on spectrum license transactions	$ -	$ 278	$ 707	$ 278

Wireline

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

On July 1, 2014, our Wireline segment divested a non-strategic business (see "Acquisitions and Divestitures"). Accordingly, the historical Wireline results for these operations have been reclassified to Corporate, eliminations and other to reflect comparable segment operating results.

Operating Revenues and Selected Operating Statistics

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Consumer retail	$ 3,902	$ 3,735	$ 167	4.5%	$ 11,606	$ 11,020	$ 586	5.3%
Small business	613	639	(26)	(4.1)	1,858	1,912	(54)	(2.8)
Mass Markets	4,515	4,374	141	3.2	13,464	12,932	532	4.1
Strategic services	2,068	2,048	20	1.0	6,214	6,059	155	2.6
Core	1,316	1,491	(175)	(11.7)	4,099	4,590	(491)	(10.7)
Global Enterprise	3,384	3,539	(155)	(4.4)	10,313	10,649	(336)	(3.2)
Global Wholesale	1,552	1,631	(79)	(4.8)	4,713	4,992	(279)	(5.6)
Other	125	113	12	10.6	379	339	40	11.8
Total Operating Revenues	$ 9,576	$ 9,657	$ (81)	(0.8)	$ 28,869	$ 28,912	$ (43)	(0.1)
Connections (000) [a]								
Total voice connections					20,089	21,457	(1,368)	(6.4)
Total Broadband connections					9,136	8,985	151	1.7
FiOS Internet subscribers					6,471	5,946	525	8.8
FiOS Video subscribers					5,533	5,170	363	7.0

[a] As of end of period

Wireline's revenues decreased 0.8% and 0.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily as a result of declines in Global Enterprise Core and Global Wholesale, partially offset by higher Consumer retail revenues driven by FiOS services. During the nine months ended September 30, 2014, the decrease in Wireline's revenues was also partially offset by increased Strategic services revenues within Global Enterprise.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional 3651) voice services to residential and small business subscribers.

Mass Markets revenues increased $0.1 billion or 3.2% and $0.5 billion or 4.1%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to the expansion of FiOS services (Voice, Internet and Video), including our FiOS Quantum offerings, as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues. FiOS represented approximately 76% and 75%, respectively, of Consumer retail revenue during the three and nine months ended September 30, 2014, compared to approximately 71% and 70%, respectively, during the similar periods in 2013.

Since October 1, 2013, we grew our subscriber base by 0.5 million FiOS Internet subscribers and 0.4 million FiOS Video subscribers, while also consistently improving penetration rates within our FiOS service areas. As of September 30, 2014, we achieved penetration rates of 40.6% and 35.5% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 39.2% and 34.9% for FiOS Internet and FiOS Video, respectively, as of September 30, 2013.

The increase in Mass Markets revenues was partially offset by the decline of local exchange revenues. This decline was primarily due to a 5.9% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, and competing voice over IP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections, primarily reflecting competition and a shift to both IP and high-speed circuits.

Global Enterprise

Global Enterprise offers Strategic services including network products and solutions, advanced communications services, and other core communications services to medium and large business customers, multinational corporations and state and federal government customers.

Global Enterprise revenues decreased $0.2 billion or 4.4%, and $0.3 billion or 2.2% respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline of $0.1 billion or 11.9%, and $0.4 billion or 11.5%, respectively, related to lower voice services and data networking revenues, which consist of traditional circuit-based services such as frame relay, private line and legacy voice and data services. These core services declined compared to the similar periods in 2013 as our customer base continued to migrate to next generation IP services. Also contributing to the decrease was the contraction of market rates due to competition and a decline in Core customer premise equipment revenues. The decrease during the nine months ended September 30, 2014 compared to the similar period in 2013 was partially offset by an increase in Strategic services revenues of $0.2 billion, or 2.6%, primarily due to increases in our application services, such as our cloud and data center offerings.

Global Wholesale

Global Wholesale provides communications services including data, voice and local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers.

Global Wholesale revenues decreased $0.1 billion or 4.8% and $0.3 billion or 5.6%, respectively, during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 primarily due to a decline in traditional voice revenues and a 6.5% decline in domestic wholesale connections as of September 30, 2014 compared to September 30, 2013. The traditional voice revenue declines are primarily due to a decrease in minutes of use and the effect of technology substitution. Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenues were Ethernet migrations from core customers as well as continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities. As a result of the customer migrations, at September 30, 2014, the number of core data circuits experienced a 13.7% decline compared to September 30, 2013.

Operating Expenses

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Cost of services and sales	$ 5,325	$ 5,342	$ (17)	(0.3)%	$ 16,006	$ 15,925	$ 81	0.5%
Selling, general and administrative expense	2,048	2,094	(46)	(2.2)	6,228	6,517	(289)	(4.4)
Depreciation and amortization expense	1,978	2,074	(96)	(4.6)	6,016	6,254	(238)	(3.8)
Total Operating Expenses	$ 9,351	$ 9,510	$ (159)	(1.7)	$ 28,250	$ 28,696	$ (446)	(1.6)

Cost of Services and Sales

During the three months ended September 30, 2014, Cost of services and sales decreased compared to the similar period in 2013 primarily due to a decrease in employee costs and a decline in access costs, driven by declines in overall wholesale long distance volumes, which were partially offset by an increase in content costs of $0.1 billion associated with continued FiOS subscriber growth and programming license fee increases.

During the nine months ended September 30, 2014, Cost of services and sales increased compared to the similar period in 2013 primarily due to an increase in content costs of $0.3 billion associated with continued FiOS subscriber growth and programming license fee increases, partially offset by a decline in employee costs and access costs, driven by declines in overall wholesale long distance volumes.

Selling, General and Administrative Expense

During the three months ended September 30, 2014, Selling, general and administrative expense was consistent with the similar period in 2013. During the nine months ended September 30, 2014, Selling, general and administrative expense decreased compared to the similar period in 2013 primarily due to declines in employee costs, primarily as a result of lower headcount. This decrease was partially offset by higher regulatory expenses.

Depreciation and Amortization Expense

During the three and nine months ended September 30, 2014, Depreciation and amortization expense decreased compared to the similar periods in 2013 primarily due to a decrease in net depreciable assets.

Segment Operating Income and EBITDA

(dollars in millions)	Three Months Ended September 30, 2014	2013	Increase/ (Decrease)		Nine Months Ended September 30, 2014	2013	Increase/ (Decrease)	
Segment Operating Income	$ 225	$ 147	$ 78	53.1%	$ 619	$ 216	$ 403	nm
Add Depreciation and amortization expense	1,978	2,074	(96)	(4.6)	6,016	6,254	(238)	(3.8)%
Segment EBITDA	$ 2,203	$ 2,221	$ (18)	(0.8)	$ 6,635	$ 6,470	$ 165	2.6
Segment operating income margin	2.3%	1.5%			2.1%	0.7%		
Segment EBITDA margin	23.0%	23.0%			23.0%	22.4%		

nm – not meaningful

The changes in the table above during the three and nine months ended September 30, 2014 compared to the similar periods in 2013 were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-operational items excluded from our Wireline segment Operating income were as follows:

(dollars in millions)	Three Months Ended September 30, 2014	2013	Nine Months Ended September 30, 2014	2013
Impact of divested operations	$ -	$ 8	$ 12	$ 26

Gain on Spectrum License Transactions

During the second quarter of 2014, we completed license exchange transactions with T-Mobile USA, Inc. (T-Mobile USA) to exchange certain AWS and Personal Communication Services (PCS) licenses. The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these exchanges, we received $0.9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain.

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement, we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses. As a result, we received $1.6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pretax gain of approximately $0.7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30, 2014.

During the third quarter of 2014, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T Inc. (AT&T) in exchange for a payment of $1.5 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pretax gain of approximately $0.3 billion in Selling, general and administrative expense on our condensed consolidated statements of income for the three and nine months ended September 30, 2014.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See Consolidated Results of Operations) excludes the gain on the spectrum license transactions described above.

Wireless Transaction Costs

As a result of the third-party indebtedness incurred to finance the Wireless Transaction, we incurred interest expense of $0.4 billion during the nine months ended September 30, 2014 (see Consolidated Financial Condition) and $0.1 billion during the nine months ended September 30, 2013.

These amounts represent only the interest expense incurred prior to the closing of the Wireless Transaction.

Impact of Divested Operations

On July 1, 2014, we sold a non-strategic Wireline business which provides communications solutions to a variety of government agencies.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See Consolidated Results of Operations) excludes the historical financial results of the divested operations described above.

Gain on Sale of Onmitel Interest

As a result of the sale of the Onmitel Interest on February 21, 2014, which was part of the consideration for the Wireless Transaction, we recorded a gain of $1.9 billion in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income for the nine months ended September 30, 2014.

Early Debt Redemption Costs

During March 2014, we recorded net debt redemption costs of $0.9 billion in connection with the early redemption of $1.75 billion aggregate principal amount of Verizon Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018 and the exchange of the following notes pursuant to a tender offer (the Tender Offer): $0.2 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 6.10% Notes due 2018, $0.6 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 5.50% Notes due 2018, $0.6 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 8.75%

Notes due 2018, $0.7 billion of the then outstanding $1.25 billion aggregate principal amount of Verizon 5.55% Notes due 2016, $0.4 billion of the then outstanding $0.75 billion aggregate principal amount of Verizon 5.50% Notes due 2017, $0.6 billion of the then outstanding $1.0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, $0.2 billion of the then outstanding $0.3 billion aggregate principal amount of Alltel Corporation 7.00% Debentures due 2016 and $0.3 billion of the then outstanding $0.6 billion aggregate principal amount of GTE Corporation 6.84% Debentures due 2018

Pension Remeasurement

During the three and six months ended June 30, 2013, we recorded net pre-tax pension remeasurement credits of approximately $0.2 billion, in accordance with our accounting policy to recognize actuarial gains and losses in the period in which they occur. The pension remeasurement credits relate to settlements for employees who received lump-sum distributions. The credits were primarily driven by an approximately 75 basis point increase in our discount rate assumption used to determine the current year liabilities of one of our pension plans. The change in discount rate resulted in a gain of $0.3 billion, partially offset by a loss resulting from the difference between our expected return on assets assumption of 7.5% at December 31, 2012 and our annualized actual return on assets of 7.2% at June 30, 2013, as well as other losses ($0.1 billion). Our weighted-average discount rate assumption increased from 4.2% at December 31, 2012 to 5.0% at June 30, 2013.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the pension remeasurement described above.

(dollars in millions)	Nine Months Ended September 30, 2014	2013	Change
Cash Flows Provided By (Used In)			
Operating activities	$ 23,157	$ 28,387	$ (5,230)
Investing activities	(10,430)	(10,023)	(407)
Financing activities	(59,037)	35,253	(94,290)
Increase (Decrease) In Cash and Cash Equivalents	$ (46,310)	$ 53,617	$ (99,927)

We use the net cash generated from our operations to fund network expansion and modernization, repay external financing, pay dividends and invest in new businesses. Our sources of funds, primarily from operations and, to the extent necessary, from external financing arrangements, are sufficient to meet ongoing operating and investing requirements. The cash portion of the purchase price for the Wireless Transaction was primarily funded by the incurrence of third-party indebtedness (see "Acquisitions and Divestitures"). We expect that our capital spending requirements will continue to be financed primarily through internally generated funds. Debt or equity financing may be needed to fund additional investments or development activities or to maintain an appropriate capital structure to ensure our financial flexibility. Our cash and cash equivalents are primarily held domestically in diversified accounts and are invested to maintain principal and liquidity. Accordingly, we do not have significant exposure to foreign currency fluctuations. See "Market Risk" for additional information regarding our foreign currency risk management strategies.

Our available external financing arrangements include credit available under credit facilities and other bank lines of credit, vendor financing arrangements, issuances of registered debt or equity securities and privately-placed capital market securities. We may also issue short-term debt through an active commercial paper program and have an $8 billion credit facility to support such commercial paper issuances.

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations, primarily from our Wireless segment. Net cash provided by operating activities during the nine months ended September 30, 2014 decreased by $5.2 billion compared to the similar period in 2013 primarily due to a $3.2 billion increase in income tax payments due to the incremental income included in Verizon's income since the closing of the Wireless Transaction and the impact of bonus depreciation recorded in 2013. Also contributing to the decrease was a $2.5 billion increase in interest payments primarily due to the incremental debt needed to fund the Wireless Transaction as well as a $1.5 billion increase in pension contributions. The decline was partially offset by an increase in earnings at our Wireless segment.

On February 21, 2014, we completed the acquisition of Vodafone's indirect 45% interest in Verizon Wireless which, among other benefits discussed herein, also provides us full access to the cash flows of Verizon Wireless. Having full access to all the cash flows from our wireless business gives us the ability to continue to invest in our networks and spectrum, meet evolving customer requirements for products and services and take advantage of new growth opportunities across our lines of business.

We do not expect to make any material employer contributions to our qualified pension plans in the fourth quarter of 2014.

Cash Flows Used In Investing Activities

Capital Expenditures

Capital expenditures continue to be our primary use of capital resources as they facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency and productivity of our networks.

Capital expenditures, including capitalized software, were as follows:

(dollars in millions)	Nine Months Ended September 30, 2014	2013
Wireless	$ 7,805	$ 6,720
Wireline	4,193	4,467
Other	626	620
	$ 12,624	$ 11,807
Total as a percentage of revenue	13.4%	14.2%

The increase in capital expenditures during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily due to investments to increase the capacity of our 4G LTE network, partially offset by lower capital expenditures at Wireline as a result of decreased legacy spending requirements.

Acquisitions

In February 2014, Verizon acquired a business dedicated to the development of IP television for cash consideration that was not significant.

Dispositions

During the nine months ended September 30, 2014, we received proceeds of $2.4 billion related to spectrum license transactions and $0.1 billion related to the disposition of a non-strategic business. See "Acquisitions and Divestitures" for additional information.

Cash Flows Provided By (Used In) Financing Activities

We seek to maintain a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. During the nine months ended September 30, 2014 and 2013, net cash provided by (used in) financing activities was $(59.0) billion and $35.3 billion, respectively. The change in cash flows used in financing activities during the nine months ended September 30, 2014 as compared to the similar period in 2013 was primarily driven by the use of $58.88 billion as part of the consideration for the Wireless Transaction. See "Acquisitions and Divestitures" for additional information.

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, €1.25 billion aggregate principal amount of 3.25% Notes due 2026 and £0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs. The net proceeds were used in part to finance the Wireless Transaction. Net proceeds not used to finance the Wireless Transaction were used for general corporate purposes. Also during February 2014, we issued $0.5 billion aggregate principal amount of 5.90% Notes due 2054, resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes.

On March 10, 2014, we announced the commencement of the Tender Offer to purchase for cash any and all of the series of notes listed in the following table:

(dollars in millions, except for Purchase Price)	Interest Rate	Maturity	Principal Amount Outstanding	Purchase Price [a]	Principal Amount Purchased
Verizon Communications	6.10%	2018	$ 1,500	$ 1,170.07	$ 748
	5.50%	2018	1,500	1,146.91	763
	8.75%	2018	1,300	1,288.35	564
	5.55%	2016	1,250	1,093.62	652
	5.50%	2017	750	1,133.22	384
Cellco Partnership and Verizon Wireless Capital LLC	8.50%	2018	1,000	1,279.63	619
Alltel Corporation	7.00%	2016	300	1,125.26	157
GTE Corporation	6.84%	2018	600	1,196.85	266
					$ 4,122

[a] Per $1,000 principal amount of notes.

The Tender Offer for each series of notes was subject to a financing condition, which was either satisfied or waived with respect to all series. The Tender Offer expired on March 17, 2014 and settled on March 19, 2014. In addition to the purchase price, any accrued and unpaid interest on the purchased notes was paid to the date of purchase. During March 2014, we recorded early debt redemption costs in connection with the Tender Offer (see "Early Debt Redemption").

During March 2014, we issued $4.5 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $4.5 billion, net of discounts and issuance costs. The issuances consisted of the following: $0.5 billion aggregate principal amount Floating Rate Notes due 2019 that bear interest at a rate equal to three-month LIBOR plus 0.77%, which rate will be reset quarterly; $0.5 billion aggregate principal amount of 2.55% Notes due 2019; $1.0 billion aggregate principal amount of 3.45% Notes due 2021; $1.25 billion aggregate principal amount of 4.15% Notes due 2024; and $1.25 billion aggregate principal amount of 5.05% Notes due 2034. During March 2014, the net proceeds were used to purchase notes in the Tender Offer described above.

During March 2014, Verizon Wireless redeemed $1.25 billion aggregate principal amount of the Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018 at 127.135% of the principal amount of such notes, plus accrued and unpaid interest (see "Early Debt Redemption"). Also, during March 2014, $1.0 billion of LIBOR plus 0.61% Verizon Communications Notes and $1.5 billion of 1.95% Verizon Communications Notes matured and were repaid.

During September 2014, we issued $0.9 billion aggregate principal amount of 4.8% Notes due 2044. The issuance of these Notes resulted in cash proceeds of approximately $0.9 billion, net of discounts and issuance costs. The net proceeds were used for general corporate purposes. Also during September 2014, we redeemed $0.8 billion aggregate principal amount of Verizon 1.25% Notes due November 2014 and recorded an immaterial amount of early debt redemption costs.

On October 22, 2014, we sold $6.5 billion aggregate principal amount of fixed rate notes, which are expected to settle on October 29, 2014. We expect to receive cash proceeds of approximately $6.425 billion, net of discounts and issuance costs and after reimbursement of certain expenses. The sale consisted of the following: $1.5 billion aggregate principal amount of 3.00% Notes due 2021; $2.5 billion aggregate principal amount of 3.50% Notes due 2024; and $2.5 billion aggregate principal amount of 4.50% Notes due 2034. The net proceeds from the offering will be used to redeem (i) in whole the following series of outstanding notes which have been called for early redemption in November 2014: Verizon 4.90% Notes due 2015, Verizon 5.55% Notes due 2016, Verizon 3.00% Notes due 2016, Verizon 5.50% Notes due 2017, Verizon 8.75% Notes due 2018, Alltel Corporation 7.00% Debentures due 2016 and Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018; and (ii) $1.0 billion aggregate principal amount of Verizon 2.50% Notes due 2016. Any proceeds not used for the redemption of these notes will be used for general corporate purposes.

Verizon may continue to acquire debt securities issued by Verizon and its affiliates in the future through open market purchases, *privately negotiated transactions, tender offers, exchange offers, or otherwise, upon such terms and at such prices as Verizon may* from time to time determine for cash or other consideration.

May Exchange Offer

On May 29, 2014, we announced the commencement of a private exchange offer (the May Exchange Offer) to exchange up to all Cellco Partnership and Verizon Wireless Capital LLC's £0.6 billion outstanding aggregate principal amount of 8.875% Notes due 2018 (the 2018 Old Notes) for Verizon's new sterling-denominated Notes due 2024 (the New Notes) and an amount of cash. This exchange offer has been accounted for as a modification of debt. In connection with the May Exchange Offer, which expired on June 25, 2014, we issued £0.7 billion aggregate principal of New Notes and made a cash payment of £22 million in exchange for £0.6 billion aggregate principal amount of tendered 2018 Old Notes. The New Notes bear interest at a rate of 4.073% per annum.

Concurrent with the issuance of the New Notes, we entered into cross currency swaps to fix our future interest and principal payments in U.S. dollars (see "Market Risk").

July Exchange Offers

On July 23, 2014, we announced the commencement of eleven separate private offers to exchange (the July Exchange Offers) specified series of outstanding Notes issued by Verizon and Alltel Corporation (collectively, the Old Notes) for new Notes to be issued by Verizon. The July Exchange Offers have been accounted for as a modification of debt. On August 21, 2014, Verizon issued $3.3 billion aggregate principal amount of 2.625% Notes due 2020 (the 2020 New Notes), $4.5 billion aggregate principal amount of 4.862% Notes due 2046 (the 2046 New Notes) and $5.5 billion aggregate principal amount of 5.012% Notes due 2054 (the 2054 New Notes) in satisfaction of the exchange offer consideration on tendered Old Notes (not including accrued and unpaid interest on the Old Notes). The following tables list the series of Old Notes included in the July Exchange Offers and the principal amount of each such series accepted by Verizon for exchange.

The table below lists the series of Old Notes included in the July Exchange Offers for the 2020 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	3.65%	2018	$ 4,750	$ 2,052
	2.50%	2016	4,250	1,068
				$ 3,120

The table below lists the series of Old Notes included in the July Exchange Offers for the 2046 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.40%	2033	$ 6,000	$ 1,645
	7.75%	2030	2,000	794
	7.35%	2039	1,000	520
	7.75%	2032	400	149
Alltel Corporation	7.875%	2032	700	248
	6.80%	2029	300	65
				$ 3,421

The table below lists the series of Old Notes included in the July Exchange Offers for the 2054 New Notes.

(dollars in millions)	Interest Rate	Maturity	Principal Amount Outstanding	Principal Amount Accepted For Exchange
Verizon Communications	6.55%	2043	$ 15,000	$ 4,430
	6.46%	2038	1,750	–
	6.90%	2038	1,250	–
				$ 4,430

Term Loan Agreement

During February 2014, we drew $6.6 billion pursuant to a term loan agreement with a group of major financial institutions to finance, in part, the Wireless Transaction. $3.3 billion of the loans under the term loan agreement had a maturity of three years (the 3-Year Loans) and $3.3 billion of the loans under the term loan agreement had a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant; affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50:1.00, until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

During June 2014, we issued $3.3 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $3.3 billion, net of discounts and issuance costs. The issuances consisted of the following: $1.3 billion aggregate principal amount of Floating Rate Notes due 2017 that will bear interest at a rate equal to three-month LIBOR plus 0.40% which will be reset quarterly and $2.0 billion aggregate principal amount of 1.35% Notes due 2017. We used the net proceeds from the offering of these notes to repay the 3-Year Loans on June 12, 2014.

During July 2014, we amended the term loan agreement, settled the outstanding $3.3 billion of 5-Year Loans and borrowed $3.3 billion of new loans. The new loans mature in July 2019, bear interest at a lower interest rate and require lower amortization payments in 2017 and 2018. In connection with the transaction, which primarily settled on a net basis, we recorded approximately $0.5 billion of proceeds from long-term borrowings and of repayments of long-term borrowings, respectively.

Other Credit Facilities

On July 31, 2014, we amended our $6.2 billion credit facility to increase the availability to $8.0 billion and extend the maturity to July 31, 2018. At the same time, we terminated our $2.0 billion 364-day revolving credit agreement. As of September 30, 2014, the unused borrowing capacity under this credit facility was approximately $7.9 billion.

Early Debt Redemption

During March 2014, we recorded net debt redemption costs of $0.9 billion in connection with the early redemption of $1.25 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, and the purchase of the following notes pursuant to the Tender Offer: $0.7 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 6.10% Notes due 2018, $0.8 billion of the then outstanding $1.5 billion aggregate principal amount of Verizon 5.50% Notes due 2018, $0.6 billion of the then outstanding $1.3 billion aggregate principal amount of Verizon 8.75% Notes due 2018, $0.7 billion of the then outstanding $1.25 billion aggregate principal amount of Verizon 5.55% Notes due 2016, $0.4 billion of the then outstanding $0.75 billion aggregate principal amount of Verizon 5.50% Notes due 2017, $0.6 billion of the then outstanding $1.0 billion aggregate principal amount of Cellco Partnership and Verizon Wireless Capital LLC 8.50% Notes due 2018, $0.2 billion of the then outstanding $0.3 billion aggregate principal amount of Alltel Corporation 7.00% Debentures due 2016 and $0.3 billion of the then outstanding $0.6 billion aggregate principal amount of GTE Corporation 6.84% Debentures due 2018.

Other, net

The change in Other, net financing activities during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily driven by a decline in tax distributions to Vodafone pursuant to the Cellco Partnership agreement. As a result of the completion of the Wireless Transaction, the final tax distribution was made in the second quarter of 2014. Partially offsetting the decline in tax distributions to Vodafone were net early debt redemption costs of $0.9 billion.

Dividends

As in prior periods, dividend payments were a significant use of capital resources. During the third quarter of 2014, Verizon's Board of Directors increased our quarterly dividend payments by 3.8% to $.55 per share from $.53 per share in the same period in 2013. This is the eighth consecutive year that the Board has approved a quarterly dividend increase.

During the nine months ended September 30, 2014, we paid $5.7 billion in cash dividends. During the nine months ended September 30, 2013, we paid $4.4 billion in cash dividends. The increase in cash dividends is primarily due to the issuance of approximately 1.27 billion shares of Verizon common stock as part of the consideration paid to complete the Wireless Transaction.

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 8.1 million common shares issued from Treasury stock during the nine months ended September 30, 2014, which had an aggregate value of $0.4 billion.

Special Distribution

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7.0 billion. As a result, Vodafone received a cash payment of $3.15 billion and the remainder of the distribution was received by Verizon.

As a result of the completion of the Wireless Transaction on February 21, 2014, we now have full ownership of Verizon Wireless and will no longer make special distributions to Vodafone.

Common Stock

As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares of Verizon common stock.

On March 7, 2014, the Verizon Board of Directors approved a share buyback program, which authorizes the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2017. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs.

Verizon did not repurchase any shares of Verizon common stock through its authorized share buyback program during the nine months ended September 30, 2014.

Covenants

Our credit agreements contain covenants that are typical for large, investment grade companies. These covenants include requirements to pay interest and principal in a timely fashion, pay taxes, maintain insurance with responsible and reputable insurance companies, preserve our corporate existence, keep appropriate books and records of financial transactions, maintain our properties, provide financial and other reports to our lenders, limit pledging and disposition of assets and mergers and consolidations, and other similar covenants. Additionally, the term loan credit agreement requires us to maintain a leverage ratio (as such term is defined in those agreements) not in excess of 3.50:1.00 until our credit ratings are equal to or higher than A3 and A- at Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

We and our consolidated subsidiaries are in compliance with all of our debt covenants.

Decrease in Cash and Cash Equivalents

Our Cash and cash equivalents at September 30, 2014 totaled $7.2 billion, a $46.3 billion decrease compared to Cash and cash equivalents at December 31, 2013 primarily as a result of the completion of the Wireless Transaction.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that management believes is useful to investors and other users of Verizon's financial information in evaluating cash available to pay debt and dividends. Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities. The following table reconciles Net cash provided by operating activities to Free cash flow:

(dollars in millions)	Nine Months Ended September 30, 2014	2013	Change
Net cash provided by operating activities	$ 25,157	$ 28,387	$ (3,230)
Less: Capital expenditures (including capitalized software)	12,624	11,807	817
Free cash flow	$ 10,533	$ 16,580	$ (6,047)

The change in Free cash flow during the nine months ended September 30, 2014 compared to the similar period in 2013 was primarily due to a $3.2 billion increase in income tax payments, a $2.5 billion increase in interest payments, a $1.5 billion increase in pension contributions and higher capital expenditures. Subsequent to the completion of the Wireless Transaction on February 21, 2014, we now have full access to all of the cash flows generated by our wireless business.

We are exposed to various types of market risk in the normal course of business including the effects of interest rate changes, foreign currency exchange rate fluctuations, changes in investment, equity and commodity prices and changes in corporate tax rates We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements commodity swap and forward agreements and interest rate locks We do not hold derivatives for trading purposes

It is our general policy to enter into interest rate, foreign currency and other derivative transactions only to the extent necessary to achieve our desired objectives in limiting our exposure to various market risks Our objectives include maintaining a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions We do not hedge our market risk exposure in a manner that would completely eliminate the effect of changes in interest rates and foreign exchange rates on our earnings We do not expect that our net income, liquidity and cash flows will be materially affected by these risk management strategies

Interest Rate Risk

We are exposed to changes in interest rates, primarily on our short-term debt and the portion of long-term debt that carries floating interest rates As of September 30, 2014, approximately 85% of the aggregate principal amount of our total debt portfolio consisted of fixed rate indebtedness, including the effect of interest rate swap agreements designated as hedges The impact of a 100 basis point change in interest rates affecting our floating rate debt would result in a change in annual interest expense including our interest rate swap agreements that are designated as hedges, of approximately $0 2 billion The interest rates on substantially all of our existing long-term debt obligations are unaffected by changes to our credit ratings

Interest Rate Swaps

We enter into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt We principally receive fixed rates and pay variable rates based on LIBOR resulting in a net increase or decrease to interest expense These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio We record the interest rate swaps at fair value on our condensed consolidated balance sheets as assets and liabilities The fair value of these contracts was not material at September 30 2014 and December 31, 2013 respectively As of September 30, 2014, the total notional amount of the interest rate swaps was $1 8 billion The ineffective portion of these interest rate swaps was not material for the three and nine months ended September 30, 2014, respectively

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a total notional value of $2 0 billion We designated these contracts as cash flow hedges In March 2014, we settled these forward interest rate swaps and the pre-tax gain was not material During the first and second quarters of 2014, we entered into forward interest rate swaps with total notional values of $0 9 billion and $3 1 billion, respectively During the third quarter of 2014, we entered into forward interest rate swaps with a total notional value of $0 8 billion We designated these contracts as cash flow hedges

In October 2014, we settled $1 25 billion of forward interest rate swaps

Foreign Currency Translation

The functional currency for our foreign operations is primarily the local currency The translation of income statement and balance sheet amounts of our foreign operations into U S dollars is recorded as cumulative translation adjustments, which are included in Accumulated other comprehensive income in our condensed consolidated balance sheets Gains and losses on foreign currency transactions are recorded in the condensed consolidated statements of income in Other income and (expense), net At September 30, 2014, our primary translation exposure was to the British Pound Sterling, the Euro, the Australian Dollar, the Indian Rupee and the Japanese Yen.

Cross Currency Swaps

During the first quarter of 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5 4 billion of Euro and British Pound Sterling denominated debt into U.S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the impact of foreign currency transaction gains or losses

During the second quarter of 2014, in connection with the May Exchange Offer, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 2 billion of British Pound Sterling denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the impact of foreign currency transaction gains or losses

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1 6 billion of British Pound Sterling and Euro-denominated debt into U S dollars and to fix our future interest and principal payments in U S dollars, as well as to mitigate the effect of foreign currency transaction gains or losses In June 2014, we settled $0 8 billion of these cross currency swaps as part of the Exchange Offer and the gains with respect to these swaps were not material

A portion of the gains and losses recognized in Other comprehensive income (loss) was reclassified to Other income and (expense) net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations The fair value of the outstanding swaps was $0 1 billion at September 30 2014 and was not material at December 31 2013 During the three and nine months ended September 30 2014 a pre-tax loss of $0 1 billion and an immaterial pre-tax loss respectively were recognized in Other comprehensive income (loss) During the three and nine months ended September 30, 2013, a pre-tax gain of $0 1 billion and an immaterial pre-tax loss, respectively, were recognized in Other comprehensive income (loss)

Wireless

Wireless Transaction

On September 2 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller) pursuant to which Verizon agreed to acquire Vodafone s indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership and such interest the Vodafone Interest) for aggregate consideration of approximately $130 billion

On February 21, 2014 pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone American Finance 1 Inc , a subsidiary of Seller (VF1 Inc) which indirectly through certain subsidiaries (together with VF1 Inc the Purchased Entities) owned the Vodafone Interest In consideration for the Transferred Shares, upon completion of the Wireless Transaction Verizon (i) paid approximately $58 89 billion in cash, (ii) issued approximately 1 27 billion shares of Verizon s common stock, par value $0 10 per share (the Stock Consideration), which was valued at approximately $61 3 billion at the closing of the Wireless Transaction, (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5 0 billion (the Verizon Notes) (iv) sold Verizon s indirectly owned 23 1% interest in Vodafone Omnitel N V (Omnitel and such interest the Omnitel Interest), valued at $3 5 billion and (v) provided other consideration which included the assumption of preferred stock valued at approximately $1 7 billion The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing legal and bank fees were financed through the incurrence of third-party indebtedness (see Consolidated Financial Condition")

In accordance with the accounting standard on consolidation, a change in a parent s ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted As a result we accounted for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon s ownership interest in the Partnership Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted has been recognized in equity attributable to Verizon

Omnitel Transaction

On February 21 2014 Verizon and Vodafone also consummated the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement As a result during the nine months ended September 30 2014 we recognized a pre-tax gain of $1 9 billion on the disposal of the Omnitel interest in Equity in earnings (losses) of unconsolidated businesses on our condensed consolidated statement of income

Verizon Notes

The Verizon Notes were issued to Vodafone pursuant to Verizon s existing indenture The Verizon Notes were issued in two separate series, with $2 5 billion due February 21 2022 (the eight-year Verizon Notes) and $2 5 billion due February 21 2025

(the eleven-year Verizon Notes). The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 The eight-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1.222%, and the eleven-year Verizon Notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372% The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series Beginning two years after the closing of the Wireless Transaction Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods commencing January 1, 2017 Any Verizon Notes held by third parties will not be redeemable by Verizon prior to their maturity dates Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable

Other Consideration

Included in the other consideration provided to Vodafone is the indirect assumption of long-term obligations with respect to 5 143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities Both the Class D shares (825,000 shares outstanding) and Class E shares (825 000 shares outstanding) are mandatorily redeemable in April 2020 at $1 000 per share plus any accrued and unpaid dividends Dividends accrue at 5 143% per annum and will be treated as interest expense Both the Class D and Class E shares have been classified as liability instruments and were recorded at fair value as determined at the closing of the Wireless Transaction

Deferred Tax Liabilities

Certain deferred taxes directly attributable to the Wireless Transaction have been calculated based on an analysis of taxes attributable to the difference between the tax basis of the investment in the noncontrolling interest that is assumed compared to Verizon's book basis As a result Verizon recorded a deferred tax liability of approximately $13 5 billion

Spectrum License Transactions

During the second quarter of 2014 we completed license exchange transactions with T-Mobile USA to exchange certain AWS and PCS licenses The exchange included a number of swaps that we expect will result in more efficient use of the AWS and PCS bands As a result of these exchanges, we received $0 9 billion of AWS and PCS spectrum licenses at fair value and we recorded an immaterial gain

During the second quarter of 2014, we completed transactions pursuant to two additional agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses Under one agreement we sold certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2 4 billion and under the second agreement we exchanged the remainder of our 700 MHz A block spectrum licenses as well as AWS and PCS spectrum licenses for AWS and PCS spectrum licenses As a result, we received $1 6 billion of AWS and PCS spectrum licenses at fair value and we recorded a pre-tax gain of approximately $0 7 billion in Selling, general and administrative expense on our condensed consolidated statement of income for the nine months ended September 30 2014

During September 2014, we entered into a license exchange agreement with affiliates of AT&T to exchange certain AWS and PCS spectrum licenses This non-cash exchange which is subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions is expected to close in the first quarter of 2015 Upon completion of the transaction, we expect to record an immaterial gain

During the three and nine months ended September 30, 2014, we acquired various other wireless licenses and markets for cash consideration that was not significant

Wireline

On July 1 2014 we sold a non-strategic Wireline business, which provides communications solutions to a variety of government agencies for net cash proceeds of $0 1 billion and recorded an immaterial gain

Other

During February 2014, Verizon acquired a business dedicated to the development of Internet Protocol (IP) television for cash

consideration that was not significant

On October 7, 2014 Redbox Instant by Verizon, a venture between Verizon and Redbox Automated Retail LLC (Redbox), a wholly-owned subsidiary of Outerwall Inc., ceased providing service to its customers In accordance with an agreement between the parties, Redbox withdrew from the venture on October 20, 2014 and Verizon will wind down and dissolve the venture during the next few months As a result of the termination of the venture, we expect to record a pre-tax loss of approximately $0 1 billion in the fourth quarter of 2014

Regulatory and Competitive Trends

There have been no material changes to Regulatory and Competitive Trends as previously disclosed in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2013

Environmental Matters

During 2003, under a government-approved plan remediation commenced at the site of a former Sylvania facility in Hicksville New York that processed nuclear fuel rods in the 1950s and 1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at several other former facilities was also undertaken In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation

Recent Accounting Standards

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures of disposals of components of an entity was issued This standard update changes the criteria for reporting discontinued operations and enhances convergence of the reporting requirements for discontinued operations. As a result of this standard update a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have a major effect on an entity's operations and financial results This standard update is effective as of the first quarter of 2015, however, earlier adoption is permitted

In May 2014, the accounting standard update related to the recognition of revenue from contracts with customers was issued This standard update clarifies the principles for recognizing revenue and develops a common revenue standard for U S generally accepted accounting principles (GAAP) and International Financial Reporting Standards The standard update intends to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, and provide more useful information to users of financial statements through improved disclosure requirements Upon adoption of this standard update, we expect that the allocation and timing of revenue recognition will be impacted We expect to adopt this standard update during the first quarter of 2017

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients Under the other method, the guidance is applied to contracts not completed as of the date of initial application, recognizing the cumulative effect of the change as an adjustment to the beginning balance of retained earnings, and also requires additional disclosures comparing the results to the previous guidance We are currently evaluating these adoption methods and the impact that this standard update will have on our condensed consolidated financial statements.

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period was issued The standard update resolves the diverse accounting treatment for these share-based payments by requiring that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved We will adopt this standard update during the first quarter of 2016 The adoption of this standard update is not expected to have a

significant impact on our condensed consolidated financial statements

In this report we have made forward-looking statements These statements are based on our estimates and assumptions and are subject to risks and uncertainties Forward-looking statements include the information concerning our possible or assumed future results of operations Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995

The following important factors along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing,
- significantly increased levels of indebtedness as a result of the Wireless Transaction,
- changes in tax laws or treaties, or in their interpretation
- adverse conditions in the U S and international economies
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact
- material changes in technology or technology substitution
- disruption of our key suppliers' provisioning of products or services,
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks,
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance
- the effects of competition in the markets in which we operate,
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings,
- significant increases in benefit plan costs or lower investment returns on plan assets, and
- the inability to implement our business strategies

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information relating to market risk is included in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Market Risk."

Item 4 Controls and Procedures

Our chief executive officer and chief financial officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this quarterly report. Based on this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2014.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes intended to ensure an effective internal control environment. We are continuing an initiative to implement new financial systems that will continue in phases over the next several quarters. We are also continuing an initiative to standardize and centralize transaction-processing activities within our accounting processes, which we expect to continue over the next several years. These initiatives will incorporate certain changes in personnel as well. In connection with these initiatives and the resulting changes in our financial systems and transaction-processing activities, the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective.

Except as noted above, there were no changes in the Company's internal control over financial reporting during the third quarter of 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 1 Legal Proceedings

On September 15, 2010, the U.S. Bank National Association (U.S. Bank), as Litigation Trustee for the Ideare Inc. Litigation Trust (Litigation Trust), filed suit in U.S. District Court for the Northern District of Texas against Verizon and certain subsidiaries challenging the November 2006 spin-off of Verizon's former directories business then known as Ideare Inc. U.S. Bank, which represents a group of creditors who filed claims in Ideare's bankruptcy, alleged that Ideare was insolvent at the time of the spin-off or became insolvent shortly thereafter. The Litigation Trust sought over $9 billion in damages. In its June 18, 2013 decision, the District Court entered judgment for Verizon and its subsidiaries and ruled that U.S. Bank would "take nothing" on its claims. U.S. Bank appealed the decision to the U.S. Court of Appeals for the Fifth Circuit, which upheld the District Court's decision on July 30, 2014. The Litigation Trust has until December 15, 2014, to seek further review of the decision by the United States Supreme Court.

On October 25, 2011, a Litigation Trust created during the bankruptcy proceedings of FairPoint Communications, Inc. filed a complaint in state court in Mecklenburg County, North Carolina, against Verizon and other related entities. The complaint claimed that FairPoint's acquisition of Verizon's landline operations in Maine, New Hampshire and Vermont in March 2008 was structured and carried out in a way that left FairPoint insolvent or led to its insolvency shortly thereafter and ultimately to its October 2009 bankruptcy. The Litigation Trust sought approximately $2 billion in damages. Verizon removed the case to the United States District Court for the Western District of North Carolina in November 2011. At the close of discovery in February 2013, Verizon filed a summary judgment motion to dismiss the two counts in the complaint—constructive fraudulent transfer and actual fraudulent transfer. On June 12, 2013, the District Court granted Verizon's summary judgment motion in part, dismissing the Litigation Trust's constructive fraudulent transfer claim. A bench trial limited to the actual fraudulent transfer claim concluded December 13, 2013. On June 18, 2014, Verizon and the Litigation Trust entered into a settlement agreement, the terms of which are not material to our business. The settlement agreement was approved by the Bankruptcy Court on September 18, 2014 and the matter was dismissed by the District Court on October 16, 2014.

In October 2013, the California Attorney General's Office notified Verizon California Inc. and other Verizon companies of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation and continue to review our operations relating to the management of hazardous waste. While penalties relating to the alleged violations could exceed $100,000, we do not expect that any penalties ultimately incurred will be material.

Item 1A Risk Factors

There have been no material changes to our risk factors as previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

On March 7, 2014, the Verizon Board of Directors approved a share buyback program, which authorizes the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2017. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs.

Verizon did not repurchase any shares of Verizon common stock through its authorized share buyback program during the three months ended September 30, 2014. At September 30, 2014, the maximum number of shares that could be purchased by or on behalf of Verizon under our share buyback program was 100 million.

Item 6. Exhibits

Exhibit Number	Description
12	Computation of Ratio of Earnings to Fixed Charges
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VERIZON COMMUNICATIONS INC.

Date: October 28, 2014

By: /s/ Anthony T. Skiadas
Anthony T. Skiadas
Senior Vice President and Controller
(Principal Accounting Officer)

Exhibit Index

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101.INS	XBRL Instance Document
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101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
Verizon Communications Inc. and Subsidiaries

(dollars in millions)	Nine Months Ended September 30, 2014
Earnings:	
Income before provision for income taxes	$ 19,156
Equity in earnings of unconsolidated businesses	*(1,811)*
Dividends from unconsolidated businesses	26
Interest expense (1)	3,633
Portion of rent expense representing interest	674
Amortization of capitalized interest	143
Earnings, as adjusted	$ 21,821
Fixed Charges	
Interest expense (1)	$ 3,633
Portion of rent expense representing interest	674
Capitalized interest	324
Fixed charges	$ 4,631
Ratio of earnings to fixed charges	4.71

(1) We classify interest expense recognized on uncertain tax positions as income tax expense and therefore such interest expense is not included in the Ratio of Earnings to Fixed Charges

EXHIBIT 31.1

I, Lowell C. McAdam, certify that:

1. **I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.;**

2. **Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;**

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Francis J. Shammo, certify that:

1. **I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.;**

2. **Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;**

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell C. McAdam, Chairman and Chief Executive Officer of Verizon Communications Inc. (the Company), certify that

(1) the report of the Company on Form 10-Q for the quarterly period ending September 30, 2014 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report

Date: October 28, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Francis J. Shammo, Executive Vice President and Chief Financial Officer of Verizon Communications Inc. (the Company), certify that

(1) the report of the Company on Form 10-Q for the quarterly period ending September 30, 2014 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report

Date: October 28, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C 20549

FORM 10-K

(Mark one)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	23-2259884
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
140 West Street New York, New York	10007
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 395-1000

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Common Stock, $ 10 par value	New York Stock Exchange The NASDAQ Global Select Market London Stock Exchange

Securities registered pursuant to Section 12(g) of the Act

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ✓ No ___

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ___ No ✓

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No ___

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ✓ No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ✓

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer ✓	Accelerated filer ___	Non-accelerated filer ___	Smaller reporting company ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ___ No ✓

At June 28, 2013, the aggregate market value of the registrant's voting stock held by non-affiliates was approximately $144,030,746,074.

At February 24, 2014, 4,141,140,749 shares of the registrant's common stock were outstanding, after deducting 101,233,491 shares held in treasury.

Documents Incorporated By Reference:

Portions of the registrant's Annual Report to Shareowners for the year ended December 31, 2013 (Parts I and II)

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Certifications

General

Verizon Communications Inc. (Verizon, or the Company) is a holding company that, acting through its subsidiaries, is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. Formerly known as Bell Atlantic Corporation, we were incorporated in 1983 under the laws of the State of Delaware. We began doing business as Verizon on June 30, 2000 following our merger with GTE Corporation. We have a highly diverse workforce of approximately 176,800 employees.

Our principal executive offices are located at 140 West Street, New York, New York 10007 (telephone number 212-395-1000).

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business segments and organize by products and services.

Wireless	Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States.
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

The following portions of the 2013 Verizon Annual Report to Shareowners are incorporated into this report:

- "Overview" on pages 10 through 12; and,
- "Segment Results of Operations" on pages 17 through 22 and in Note 13 to the consolidated financial statements on pages 65 through 67.

Wireless

Background

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone Group Plc (Vodafone). As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. Verizon Wireless provides wireless communication services across one of the most extensive wireless networks in the United States and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and third-generation (3G) Evolution - Data Optimized (EV-DO) networks of any U.S. wireless service provider.

On September 2, 2013, Verizon entered into a stock purchase agreement with Vodafone and Vodafone 4 Limited, pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless for aggregate consideration of approximately $130 billion (the Wireless Transaction). We completed the transaction on February 21, 2014 and acquired 100% ownership of Verizon Wireless. The consideration paid was primarily comprised of cash and Verizon common stock.

Verizon Wireless is the largest wireless service provider in the United States as measured by retail connections and revenue. At December 31, 2013, Verizon Wireless had 102.8 million retail connections and 2013 revenues of approximately $81.0 billion, representing approximately 67% of Verizon's aggregate revenues.

We have substantially completed the deployment of our 4G LTE network. Our 4G LTE network is available to 97% of the U.S. population in more than 500 markets covering approximately 305 million people, including those in areas served by our LTE in Rural America partners. Under this program, we are working with wireless carriers in rural areas to collaboratively build and operate a 4G LTE network using each carrier's network assets and our core 4G LTE equipment and 700 MHz C-Block spectrum. Our 4G LTE network provides higher data throughput performance for data services at a lower cost compared to that provided via 3G networks.

Wireless Service and Product Offerings

Our wireless services are available to our customers receiving service under the Verizon Wireless brand. In addition, customers can obtain wireless products and services that operate on our network from resellers that purchase network access from us on a wholesale basis.

Wireless Services

We offer our wireless services on a postpaid and prepaid basis. Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Our postpaid account plans include More Everything ® plans, single connection plans, plans tailored to the needs of our corporate customers, as well as legacy single connection plans and family plans that we no longer offer to new accounts. A single account may receive monthly wireless services for a variety of connected devices. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance (access service revenues) and usage beyond the allowance is billed in arrears (usage service revenues). Approximately 94% of our retail connections received our wireless services on a postpaid basis as of December 31, 2013. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

Our wireless plans offer various packages of services that allow customers, regardless of the device, to select the plan that best matches their network usage patterns. On February 13, 2014, we introduced our More Everything plans which replaced our Share Everything ® plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among up to 10 devices connected to the Verizon Wireless network. Customers with Verizon Edge, which provides a device payment plan option, also will receive discounted monthly access fees on More Everything plans. For an additional monthly access fee, our customers have the option of sharing long distance and roaming minutes among their devices for calls from the United States to, and calls while within, Canada and Mexico. The More Everything plans also include the Mobile Hotspot service on our smartphones at no additional charge. The Mobile Hotspot service allows a customer to use our network to create a Wi-Fi network that can be used by Wi-Fi enabled devices. Verizon Wireless also offers shared data plans for business, with the More Everything plans for Small Business and the Nationwide Business Data Packages and Plans. As of December 31, 2013, Share Everything accounts represented approximately 46% of our retail postpaid accounts compared to approximately 23% as of December 31, 2012.

We offer a wide variety of wireless services, including Internet access, via our broad range of devices. Our customers can access the Internet on all of our smartphones, as well as our basic phones that include HTML web-browsing capability. We also offer service that enables our customers to access the Internet wirelessly at broadband speeds on notebook computers and tablets that either have embedded 4G LTE or 3G EV-DO modules, or that are used in conjunction with separate devices that enable access to this service, such as smartphones and USB modems as well as Jetpacks™ and other dedicated devices that provide a mobile Wi-Fi connection. These devices can be added to the customer's More Everything plan for an additional monthly fee, or the customer can obtain a separate plan for the device at various price points, depending upon both the size of the data allowance purchased and the device covered by the plan.

In addition, we offer messaging services, which enable our customers to send and receive text, picture and video messages. Our customers can access multimedia offerings, mostly provided by third parties, consisting of applications providing music, video, gaming, news and other content, while our business-focused offerings, which are designed to increase productivity, include solutions that enable customers to access the Internet and their corporate intranets, as well as products that enable wireless e-mail across our diverse portfolio of wireless devices. Our location-based services provide our customers with directions to their destination and enable our business customers to locate, monitor and communicate with their mobile field workers. Our global data services allow our customers to access data services on our Global Ready Phones from hundreds of international destinations and to access the Internet at such destinations with laptops that are either Global Ready, tethered to a Global Ready Phone, or are used in conjunction with other Global Ready devices, such as certain USB modems or Jetpacks. In addition, our customers have access to more than one million applications and services developed and distributed by third parties, such as those offered via Google Play, accessible on our smartphones running on the Google, Inc. (Google) Android operating system, those offered via the Apple, Inc. (Apple) iTunes store, accessible through smartphones and tablets running on the Apple iOS operating system, those offered by Microsoft Inc. (Microsoft), via Microsoft's Windows Phone OS operating system and those offered by BlackBerry Limited (BlackBerry), through its BlackBerry App World™ storefront.

Our customers can make and receive calls on their home phone handsets using our wireless network through our Home Phone Connect service or Verizon 4G LTE Broadband Router with Voice service. We also offer HomeFusion ® Broadband, a high-speed Internet service that provides customers with Internet connections in their homes using our 4G LTE network.

In addition, we provide network access and, in some cases, enhanced value added services to support telemetry-type applications, which are characterized by machine-to-machine (M2M) wireless connections. Our M2M services support devices that are used by a variety of vertical market segments including healthcare, education, manufacturing, utilities, distribution and consumer products. For example, companies purchase network access and, in some cases, enhanced services from us in order to connect with and monitor equipment, such as medical devices used to monitor patients, fleet management devices used to monitor company-operated vehicles and utility monitoring devices used for smart grid applications. Other companies purchase network access and, in some cases, enhanced services from us to support devices that are included in a service they, in turn, sell to end users. We also support telematics services for some of the largest automotive manufacturers. We expect that consumer use of M2M wireless connections, such as home monitoring, health monitoring, energy management and utilities management, will increase as consumers integrate these devices into their mobile lifestyle.

Wireless Devices

We offer several categories of wireless devices, including smartphones, tablets and other Internet access devices as well as basic phones.

Smartphones. Our device line-up includes an array of smartphones that are enabled to utilize our 4G LTE and/or 3G EV-DO high-speed data services and run on various operating platforms, such as Apple iOS, Google Android, BlackBerry OS and Windows Phone OS. In August 2013, we launched the new Verizon Edge device payment plan option which now allows customers to trade in their phone for a new phone after a minimum of thirty days, subject to certain conditions.

Tablets and Other Internet Devices. We offer a variety of 4G LTE and/or 3G EV-DO-enabled tablets from multiple manufacturers that run primarily on either the Apple iOS, Google Android or Microsoft Windows operating system. In 2013, we launched the Ellipsis 7 tablet, which is available exclusively from Verizon Wireless. The tablets we offer also permit our customers to access the Internet via a Wi-Fi connection. In addition, we offer dedicated devices that provide a mobile Wi-Fi 4G LTE and/or 3G EV-DO connection which we refer to as Jetpacks, capable of connecting multiple Wi-Fi enabled devices to the Internet at one time. Our customers can also access the Internet wirelessly at broadband speeds on their computers via data cards, USB modems or through the use of certain laptop computers and netbooks with embedded 4G LTE and 3G EV-DO Mobile Broadband modules offered by original equipment manufacturers (OEMs). During 2013, we continued to experience strong subscriber demand for tablets and other Internet devices, and the percentage of our retail postpaid connection base represented by connections to these devices continued to increase.

Basic Phones. Most of the basic phones we offer are 3G EV-DO-enabled and have HTML-browsing capability.

We purchase wireless devices and accessories from a number of manufacturers, with the substantial majority of our purchases made from Apple, Motorola Mobility, Samsung, LG Electronics, BlackBerry, HTC, Hitachi and Quality One Wireless (through which we purchase Pantech devices and accessories).

A key component of all wireless devices is the chipset, which contains the "intelligence" of the device. The LTE chipsets used in our 4G LTE-enabled devices are manufactured by various companies, each using its own 4G LTE chipset technology. For the manufacture and supply of our CDMA-1XRTT and EV-DO chipsets, most of our wireless device suppliers rely on Qualcomm Incorporated (Qualcomm). We also sell phones that include CDMA-1XRTT and EV-DO chipsets manufactured by VIA Telecom under license from Qualcomm. In addition, there are a number of other components common to wireless phones provided by various electronic component manufacturers that we do not deal with directly.

Strategic Initiatives

We have undertaken several initiatives to develop innovative devices, data services and applications available to run on our networks, including the following:

- *Mobile Video.* Video content is projected to account for a majority of mobile network traffic by 2018. We believe the growth in video consumption using mobile devices provides us with an opportunity for revenue growth. We have made investments in converging technologies and services involving content delivery networks, video streaming and related consumer hardware to leverage new content models. Our 4G LTE network enables us to move towards a unified video strategy that positions us to take advantage of this growth opportunity. For example, we are using Multimedia Broadcast Multicast Service technology to develop our LTE Multicast service. This service has the potential to enhance our network efficiency and provide our customers with access to live streaming video content with virtually no buffering, regardless of the number of devices using the service.
- *Mobile Commerce.* Every day, large volumes of transactions are carried across our network. As a result, we believe we are well positioned to influence and benefit from the rapid growth of the mobile commerce market that is being driven by technology advances such as the proliferation of smartphones and tablets. Isis, a mobile commerce platform, represents the first phase of our initiatives to address this opportunity. Launched in November 2012 as a joint venture with AT&T Inc. (AT&T) and T-Mobile USA, Inc. (T-Mobile USA), Isis enables customers to pay for point-of-sale purchases via their mobile phones using near field communications technology rather than paying with cash or a credit card. Known as the "Isis Mobile Wallet," this service enables customers to organize all of their payment cards, offers and loyalty cards in one convenient application on their Isis-ready phone.
- *Innovation centers.* We operate innovation centers in Waltham, Massachusetts and San Francisco. We believe our centers serve as catalysts for the development of non-traditional devices, services and applications that take full advantage of our 4G LTE network. The centers work with many of our strategic partners representing various industries to help them quickly bring products, services, applications and solutions to market.

Network

We have the largest 4G LTE and 3G EV-DO networks of any service provider in the United States, with licensed and operational coverage in all of the 100 most populous U.S. metropolitan areas. As of January 21, 2014, our 4G LTE network covers approximately 305 million people in the U.S., including those in areas served by our LTE in Rural America program.

We strive to provide our customers with the highest network reliability for their wireless services. We design and deploy our network in an efficient manner that we believe maximizes the number of successful data sessions and completions of large file downloads and uploads while delivering on our advertised throughput speeds, and that maximizes the number of calls that are connected on the first attempt and completed without being dropped. We plan to continue to expand and upgrade our network primarily to increase capacity, as well as explore strategic opportunities to expand our national network coverage through selective acquisitions of wireless operations and spectrum licenses.

In addition to our own network coverage, we have roaming agreements with a number of wireless service providers to enable our customers to receive wireless service in nearly all other areas in the United States where wireless service is available. We also offer a variety of international wireless voice and data services to our customers through roaming arrangements with wireless service providers outside of the United States. Certain of our roaming agreements are terminable at will by either party upon several months' notice, however we do not believe that the termination of any of these at-will agreements would have a material adverse effect on our business.

Technology

Our primary network technology platforms are 4G LTE and 3G Code Division Multiple Access (CDMA). 4G LTE provides higher data throughput performance for data services at a lower cost compared to those offered by 3G technologies. We continue working to expand 4G LTE coverage beyond our network footprint through our LTE in Rural America Program. We currently have 20 committed program participants that have the potential to provide 4G LTE coverage to approximately three million people under the program and, to date, sixteen participants have commenced operations on such networks.

In 2012, we began testing our mobile Voice over Internet protocol (VoIP) network known as Voice over LTE (VoLTE). This technology, which is expected to be used in addition to the current voice technology, is anticipated to launch commercially in 2014.

Our 3G CDMA network is based on spread-spectrum digital radio technology. CDMA-1XRTT technology is deployed in nearly all of the cell sites in our 3G CDMA network. In addition, EV-DO, a 3G packet-based technology intended primarily for high-speed data transmission, is deployed in substantially all of the cell sites in our 3G CDMA network.

Our network includes various elements of redundancy designed to enhance the reliability of our service. Power and backhaul transport facilities can often become a network's vulnerability. Consequently, we have battery backup at every switch and every cell site in our network. We also utilize backup generators at a majority of our cell sites and at every switch location. In addition, we have a fleet of portable backup generators that can be deployed to cell sites if needed. We further enhance reliability by using a fully redundant backbone Multiprotocol Label Switching network in all critical locations.

Spectrum

The spectrum licenses we hold can be used for mobile wireless voice and data communications services. We have licenses to provide these wireless services on portions of the 800 MHz band, also known as cellular spectrum, the 1800-1900 MHz band, also known as Personal Communication Services (PCS) spectrum, and the 1700 and 2100 MHz band, also known as Advanced Wireless Services (AWS) spectrum, in areas that, collectively, cover nearly all of the population of the United States. In addition, we hold licenses for portions of the 700 MHz upper C band, including ten licenses that can, together, be used to provide wireless service coverage to the entire United States and the Gulf of Mexico.

Since 2012, we have entered into several spectrum transactions including:

- **In 2012, Verizon Wireless acquired AWS spectrum in separate transactions with SpectrumCo, LLC and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. During 2012, Verizon Wireless also completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA. As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and PCS licenses at fair value and transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless.**
- **During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value.**
- **During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value.**
- **During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the Federal Communications Commission (FCC) and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands.**

- **Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.**

We anticipate we will need additional spectrum to meet future demand. This increasing demand is being driven by growth in customer connections and usage of wireless broadband services, which use more bandwidth and require ever faster rates of speed to stay competitive. We can meet spectrum needs by acquiring licenses or leasing spectrum from other licensees, or by acquiring new spectrum licenses from the FCC, if and when offered by the FCC in future spectrum auctions. Although the availability of new spectrum for commercial wireless services and the possible dates of future FCC spectrum auctions are uncertain at this time, the FCC and the current Presidential Administration have been seeking the release of additional mobile use spectrum. The FCC is expected to conduct an auction for AWS-3 spectrum in late 2014. In addition, Congress has adopted legislation that provides for the establishment of a national public safety network and the reallocation and auction through the use of voluntary incentive auctions by 2023 of portions of the existing broadcast spectrum. The incentive auction related to the 600 MHz band is expected to take place in mid-2015, although the specific timing of the AWS-3, 600 MHz and other auctions will be determined by future regulatory proceedings.

Since we and competing wireless service providers have experienced spectrum shortages in certain markets and may have spectrum surpluses in others, we have at times exchanged spectrum licenses with other service providers through secondary market swap transactions. We expect to continue to pursue similar opportunities to trade spectrum licenses in order to meet certain of our capacity and expansion needs in the future. In other cases, Verizon Wireless has entered into intra-market spectrum swaps designed to increase the amount of contiguous spectrum within frequency bands in a specific market. Contiguous spectrum improves network performance and efficiency. These swaps as well as any spectrum purchases are subject to obtaining governmental approvals for the transfer of spectrum licenses in each instance.

Network Equipment and Build-out

Alcatel-Lucent and Ericsson are currently our primary network vendors for our LTE network deployments for macro sites as well as small cells. Our primary CDMA cell site equipment infrastructure vendors are Alcatel-Lucent, which provides more than half of our CDMA cell site equipment, and Nokia Siemens Networks (NSN) and Ericsson, which together provide nearly all of our remaining cell site equipment. We also rely on Alcatel-Lucent, NSN and Ericsson for our switching equipment.

As we continue to build and upgrade our existing network, we must complete a variety of steps, including securing rights to a large number of sites and obtaining zoning and other governmental approvals for macro sites, small cells, in-building systems and antennas and related radio equipment that comprise distributed antenna systems. We utilize tower site management firms, such as Crown Castle International Corp. and American Tower Corporation, as lessors or managers of a portion of our existing tower sites upon which our operations depend.

Marketing and Distribution

Our marketing strategy is focused on offering solutions tailored to the needs of our various customer market groups, promoting our brand, leveraging our extensive distribution network, and jointly marketing our products and services to large business and government customers with Verizon's Wireline business units through Verizon Enterprise Solutions, a sales and marketing organization that encompasses all of Verizon's solutions for medium and large business and government customers globally. Our marketing plan includes a coordinated program of television, print, radio, outdoor signage, Internet and point-of-sale media promotions designed to present our corporate message consistently across all of our markets. We use a combination of direct, indirect and alternative distribution channels in order to increase customer growth while reducing customer acquisition costs.

Company-operated stores are a core component of our distribution strategy. Our direct channel, which includes our business-to-business sales specialists and systems engineers, is focused on supporting the wireless communications needs of consumer and local, regional and national business customers. In addition, we have a telemarketing sales force dedicated to handling incoming calls from customers and as well as fully-automated, end-to-end web-based sales of wireless devices, accessories and service plans.

In November 2013, we launched our first Verizon Destination store at Mall of America in Bloomington, Minnesota. The store focuses on the in-the-lifestyle and highlights the many ways consumers can use wireless technology in their daily lives. The store is part of a broader initiative that includes the redesign of our retail stores nationwide to become smart stores. These newly

redesigned locations showcase the same mobile lifestyle zones as the Verizon Destination store but on a smaller scale. During the next few years, we plan to open additional destination stores in high traffic locations across the country. In addition, our online store and Gadgets & Gear portal have also been redesigned to deliver a consistent shopping experience for customers across browsers and mobile platforms.

Our indirect channel includes agents that sell our postpaid and prepaid wireless products and services at retail locations throughout the United States, as well as through the Internet. The majority of these agents sell both our postpaid and prepaid products and services, and do so under exclusive selling arrangements with us. We also utilize high-profile, national retailers, such as Best Buy, Wal-Mart, RadioShack and Target, to sell our postpaid and prepaid wireless products and services. Stores such as Dollar General and various drug-store chains sell our prepaid products and services. We have also entered into agency agreements with a number of broadband, video and voice service providers through which our products and services are sold on a stand-alone basis or bundled with their services.

Competition

We operate in a highly competitive industry. We compete against other national wireless service providers, including AT&T, Sprint Corporation and T-Mobile USA, as well as various regional wireless service providers. We also compete for retail activations with resellers that buy bulk wholesale service from facilities-based wireless service providers for resale, including those that buy from us. We expect competition to intensify as a result of continuing increases in wireless market penetration levels, network investment, the development and deployment of new technologies, the introduction of new products and services, new market entrants, the availability of additional spectrum, both licensed and unlicensed, and regulatory changes. Competition may also increase as smaller, stand-alone wireless service providers merge or transfer licenses to larger, better capitalized wireless service providers.

The wireless industry also faces competition from other communications and technology companies seeking to increase their brand recognition and capture customer revenue with respect to the provision of wireless products and services. For example, Microsoft, Google, Apple and others are offering alternative means for making wireless voice calls that, in certain cases, can be used in lieu of the wireless provider's voice service.

We believe that the following are the most important competitive factors in our industry:

- *Network reliability, capacity and coverage.* We believe that a wireless network that consistently provides high quality and reliable service is a key differentiator in the U.S. market and a driver of customer satisfaction. Lower prices, improved service quality and new wireless service offerings, which in many cases include video content, have led to increased customer usage of wireless services, which, in turn, puts pressure on network capacity. In order to compete effectively, wireless service providers must keep pace with network capacity needs and offer highly reliable national coverage through their networks. We believe that our 4G LTE network will help us to keep pace with network capacity requirements and meet customer demand for higher speeds.
- *Pricing.* Service and equipment pricing play an important role in the wireless competitive landscape. As the demand for wireless services continues to grow, wireless service providers are offering service plans that include unlimited voice minutes and text messages and a specific amount of data access in varying megabyte or gigabyte sizes or, in some cases, unlimited data usage. In addition certain wireless service providers are also offering minutes-sharing plans, larger bundles of included minutes with no roaming or long distance charges, features that enable customers to place and receive calls from a group of self-designated U.S. phone numbers (including landline numbers) at no additional charge, and both prepaid and postpaid plans offering unlimited voice and data usage. Wireless service providers are also offering price plans that decouple service pricing from equipment pricing and blur the traditional boundary between prepaid and postpaid plans. In addition, some wireless service providers are offering a credit to new customers to reimburse early termination fees paid to their former wireless service provider, subject to certain limitations.

  We seek to compete in this area by offering our customers price plans for our services, as well as equipment offers, that they will regard as the best available value for the price.
- *Customer service.* We believe that high-quality customer service is a key factor in retaining customers and attracting new customers, including those of other wireless providers. Our customer service, retention and satisfaction programs are based on providing customers with convenient and easy-to-use products and services in order to promote long-term relationships and minimize churn. Our competitors also recognize the importance of customer service and are also focused on improving in this area.
- *Product and service development.* As wireless technologies develop and wireless broadband networks proliferate, continued customer and revenue growth will be increasingly dependent on the development of new and enhanced data products and services. We continue to pursue the development and rapid deployment of new and innovative wireless products and services both independently and in collaboration with application service providers. We also collaborate with various device manufacturers in the development of distinctive smartphones and other wireless devices that can access the growing array of data applications and content available over the Internet. We continue to focus on increasing smartphone penetration throughout our customer base.
- *Sales and distribution.* Key to achieving sales success in the wireless industry is the reach and quality of sales channels and distribution points. We believe that attaining the optimal combination of varying distribution channels is important to achieving industry-leading profitability, as measured by operating income. We endeavor to increase sales through our company-operated stores, outside sales teams and telemarketing and web-based sales and fulfillment capabilities, as well as through our extensive indirect distribution network of retail outlets and prepaid replenishment locations and netbook and notebook OEMs. In addition, we sell network access to both traditional resellers, which resell network services to their end-users, and to various companies to enable wireless communications for their M2M devices or for their provision of telematics services.
- *Capital resources.* In order to expand the capacity and coverage of their networks and introduce new products and services, wireless service providers require significant capital resources. We generate significant cash flow from operations, as do some of our competitors.

Our success will depend on our ability to anticipate and respond to various factors affecting the wireless industry, including the factors described above, as well as new technologies, new business models, changes in customer preferences, regulatory changes, demographic trends, economic conditions and pricing strategies of competitors.

Wireline

Background

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world. In 2013, Wireline revenues were $39.2 billion, representing approximately 33% of Verizon's aggregate revenues.

Wireline Service and Product Offerings

We organize our service and product offerings by the primary customers targeted by these offerings – mass markets, global enterprise and global wholesale.

In 2012, Verizon acquired HUGHES Telematics, Inc. (HUGHES Telematics). The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers. These offerings include our suite of real-time vehicle communications services and applications which connect automobiles with content, applications and services. We provide services to new vehicles in the United States and in 2013, we extended our agreement with two auto manufacturers to provide services for new vehicles in China and in Europe. See "Strategic Initiatives – Verizon Telematics" for additional information.

During 2013, we enhanced our offerings of cloud services by acquiring Terremark Worldwide Inc. (Terremark), a global provider of information technology infrastructure and cloud services, and by acquiring a provider of cloud software technology. These acquisitions improved Verizon's competitive position in the managed hosting and cloud services space, enhanced our offerings to business and government customers globally and contributed to our growth in revenues.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers. In 2013, Mass Markets revenues were $17.3 billion, representing approximately 44% of Wireline's aggregate revenues.

Data services. We offer FiOS broadband and high-speed Internet data products with varying downstream and upstream processing speeds, including FiOS Quantum. With FiOS Quantum, customers can achieve download speeds up to 400 megabytes per second (Mbps) and upload speeds up to 100 Mbps. We believe that as consumers power more devices and stream more video, they will require increased broadband speeds. As of December 31, 2013, approximately 45% of our FiOS Internet subscribers subscribe to FiOS Quantum.

Video Services. We offer video service over our fiber-optic network. As of December 31, 2013, FiOS Video is available to approximately 15 million homes across 12 states, as well as the District of Columbia. We believe FiOS Video has features that differentiate it from the competition, including its channel line-up, Interactive Media Guide, Home Media DVR and breadth of high definition content, as well as the following:

- *Flex View.* – With Flex View, FiOS customers can watch content anytime, anywhere, on any device. Customers who subscribe to FiOS Video and Internet also have the ability to upload their photos, music and videos to their personal Flex View Library, which gives them easy access to this content via any data-capable device. The HBO GO offering provides customers with unlimited access to HBO programming on any data-capable device. Verizon's FiOS Video subscribers can also access Turner Broadcasting's online programming directly on the TBS and TNT sites and through Verizon FiOS Video Online. In addition, through FiOS TV Widgets, viewers have one-touch, on demand access to local weather, traffic, and community information, and to popular social media applications, such as Facebook, YouTube and Twitter, as well as online commerce opportunities. The widget platform has evolved to an open-development environment, which provides opportunities for third parties to develop enhanced, customized features via the FiOS Video product.
- *Customer Premise Equipment interoperability.* – We continue to partner with major corporations to offer further interoperability with various products such as video game consoles, smart televisions and tablets. This technology further expands our initiative to provide customers with the ability to watch content anytime, anywhere, on any data-capable device.

Voice services. We offer voice services that include local exchange, regional, long distance, wire maintenance and voice messaging services, as well as VoIP services, which use the Internet or private broadband networks to transmit voice

Global Enterprise

Global Enterprise offers Strategic services, including networking products and solutions, advanced communications services, and other core communications services to medium and large business customers, including multinational corporations, as well as state and federal government customers. Global Enterprise jointly markets these services with Verizon's other business units through Verizon Enterprise Solutions. In 2013, Global Enterprise revenues were $14.7 billion, representing approximately 38% of Wireline's aggregate revenues.

Strategic services. Strategic services consist of networking products and solutions, advanced communication services for voice and video, and security, infrastructure and cloud services.

Networking products and solutions primarily include:

- *Private IP* – This service, built on multiprotocol label switching, enables customers to leverage the efficiency, performance and value of IP in a secure manner. Our Private IP network allows customers to communicate over a private, secure network in more than 120 countries using a variety of access methods, including Ethernet and Verizon Wireless 4G LTE.
- *Other corporate networking services* – Other services primarily include Ethernet access and ring services. Ethernet services allow customers to connect network environments around the world and enable applications and technologies to work seamlessly and with little disruption. Ring services include technologies that help customers handle bandwidth demands and control their costs.

Advanced communication services primarily include:

- *IP communications* – Our IP communications services simplify network management and drive operational efficiencies by enabling the convergence of voice and data traffic on the same access connection.
- *Infrastructure and cloud services* – Our infrastructure and cloud services include Infrastructure as a Service (IaaS) and managed hosting services that provide enterprise customers with data center computing, data storage and network facilities connectivity, security, architecture and support. data center colocation services that house and protect customers' critical applications and systems, including several facilities that offer extensive carrier neutral options, application management services that provide customers with comprehensive monitoring and management of applications, and advanced enterprise-class cloud services that provide organizations with the ability to virtualize IT resources such as computing, memory and storage, enabling their constituents to produce, store, process, consume and share information.
- *Machine-to-Machine (M2M) Services* – Our acquisition of HUGHES Telematics in July 2012 provided a technology platform that we are leveraging in M2M markets, which has enabled us to further develop strategic partnerships in the automotive, transportation, energy, health monitoring, education and insurance industries. M2M services permit customers to connect and monitor equipment, such as medical devices, fleet management devices and utility monitoring devices. We believe that these services, which are enabled on a large scale by 4G LTE wireless technology, have the ability to reshape the way businesses operate and the way consumers interact with devices around them. Verizon offers platform-based solutions tailored to specific industries to enable value creation and new commercial business models. Our goal is to be a leader in implementing the next generation of connected services for vehicles, centered on a core platform of safety, security, fleet management, convenience and other offerings targeting commercial fleet operators, individual consumers and other customers.
- *Security* – We provide integrated solutions to help companies secure their networks and data through the following services:
  - *Security professional services* – Security consultants that construct security plans tailored to the needs of our customers.
  - *Governance, risk and compliance* – Allows customers to assess risk levels based on current security controls and develop plans to address security-related compliance objectives;
  - *Identity management* – Provides identity-based access management for customer data, application, and systems across multiple IT environments.
  - *Managed security* – We design, implement, and maintain a secure IT infrastructure for our clients and help them prevent, detect, and report security threats.
- *Other advanced communications services* – Other services primarily include: dedicated Internet access, which provides enterprise customers with high-bandwidth dedicated access to Verizon's global network; unified communications and collaboration capabilities, which enable customers to communicate in real time through VoIP and IP conferencing; and emergency communication services, which allow customers to respond effectively to emergencies while maintaining business continuity.

Core services. Core services include core voice and data services, which consist of a comprehensive portfolio of global solutions utilizing traditional telecommunications technology, such as conferencing and contact center solutions, and private line and data access networks. Core services also include providing customer premise equipment installation, maintenance and site services. We are continuing to transition customers out of historical core services such as Frame Relay and Asynchronous Transfer Mode services.

Global Wholesale

Global Wholesale provides communications services including data, voice, local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers. In 2013, Global Wholesale revenues were $6.7 billion, representing approximately 17% of Wireline's aggregate revenues. A portion of Global Wholesale revenues is generated by a few large telecommunications companies, most of which compete directly with us.

Global Wholesale provides the following services, which it jointly markets with Verizon's other business units through Verizon Enterprise Solutions:

- *Data services.* We offer a robust portfolio of data services with varying speeds and options to enhance our wholesale customers' networks and provide connections to their end users and subscribers. Our data services include high-speed digital data offerings, such as Ethernet and Synchronous Optical Network, as well as core data circuits, such as DS1s and DS3s. In addition, data services include special access revenues that are generated from carriers that buy dedicated local exchange capacity to support their private networks.

  New Ethernet connectivity in the United States represents the largest data growth opportunity in wholesale, as we pursue our technology upgrade initiatives and customers look to the future and higher capacity demands. These customers are also migrating networks from time division multiplexing to Ethernet, which will better scale and service the growth of broadband services driven by smartphones, mobile broadband and mobile video. Global Wholesale offers a complete suite of services to support the expansion of 4G and 3G networks.

  Data services also include certain value-added business services, which leverage many of the same offerings available in the Global Enterprise portfolio, including:
  - *Managed services* – Offers wholesale customers the opportunity to outsource the management of their networks, security, remote access, and web applications to Verizon.
  - *Mobility* – Enables wholesale customers to enhance their portfolio to triple-play or quad-play capability by leveraging wireless devices and services offered through Verizon Wireless and packaged and resold under their own carrier brand; and
  - *Security* – Provides wholesale customers integrated solutions to help their enterprise end-users secure their networks and data.
- *Voice services.* We provide switched access services that allow carriers to complete their end-user calls that originate or terminate within our territory.
- *Local services.* We offer an array of local dial tone and broadband services to competitive local exchange carriers, some of which are offered to comply with telecommunications regulations. In addition, we offer services such as colocation, resale and unbundled network elements in compliance with applicable regulations.

Other

Other services include such services as local exchange and long distance services derived from former MCI mass market customers and operator services. In 2013, Other revenues were $0.5 billion, representing approximately 1% of Wireline's aggregate revenues.

Strategic Initiatives

Technology developments, interconnected markets, shifting consumer needs and converging industry ecosystems are creating innovative opportunities for Verizon. Our vision is to be a globally-connected solutions company. Our market solutions are designed to deliver best-in-class products and services, strengthen our competitive advantage in the marketplace and drive a high-quality experience for our customers. To take advantage of these market trends, we have undertaken several strategic initiatives to build, deploy and market products and services and enhance our market agility in the following areas of focus:

- *Broadband.* Customers are increasingly consuming large amounts of broadband data as connected devices and associated online applications continue to experience significant growth. U.S. broadband usage has more than doubled in the past two years and we expect broadband usage to continue to increase. Our FiOS network positions us in the industry with leading broadband speeds and reliability. Broadband represents a growth opportunity for us as the use of over-the-top video, user generated content and data, and connected homes and devices continue to accelerate.
- *Consumer and Enterprise Video.* Our FiOS Video service continues to experience consumer growth. We are enhancing our FiOS service by providing customers with increasing mobility options to view content in and out of the home to meet the demand for video consumption anywhere and at any time.
- *Cloud Services.* Capitalizing on market growth in cloud services and on enterprise trends toward outsourcing IT infrastructure and services, Verizon introduced an evolutionary cloud platform built for speed and performance, using our own software-based intellectual property and enterprise-grade reliability. Verizon Cloud Compute and Cloud Storage adopt a new approach to how public clouds are built, enabling customers of all sizes to take advantage of the agility and economics behind a generic public

cloud along with the reliability and scale of an enterprise-level service, while maintaining control of performance. Virtual machines (software based computers and servers) can be created and deployed in seconds and users build and pay for what they need.

Our cloud infrastructure also enables real-time analytical capabilities for our M2M customers, providing an end-to-end capability where customers can store, process and analyze large amounts of data on a real-time basis. Our cloud infrastructure also has the ability to handle multiple instances of an application providing global support and availability of the applications without increased latency. The integration of our cloud infrastructure with our telematics assets provides our customers with new and innovative service capabilities that are scalable, and which we believe are operationally superior to other bifurcated approaches.

- *Security.* With new technologies changing how enterprises do business, the cyber security landscape continues to evolve. We believe that businesses are making business and customer data protection one of their highest priorities in order to protect their brand and enhance customer loyalty. We believe that Verizon has an advantage in its ability to reduce cyber risks and mitigate the damaging impact of advanced cyber attacks due to the volume of traffic carried globally on our networks. We will continue to advance our portfolio of forensics services and managed security services, building new capabilities to identify risks and threats and expanding our IT Security professional services and outsourcing.
- *Verizon Telematics.* Our suite of real-time vehicle communications services and applications connects automobiles with content, services and call centers. Our platform enables factory installed and aftermarket automotive safety and security as well as location-based services and vehicle diagnostics. We provide usage-based data services to new vehicles in the United States and in 2013 we extended our agreement with two auto manufacturers to provide services for new vehicles in China and in Europe. Through our In-Drive solution, we have partnered with a major automotive insurance provider to deliver usage-based insurance programs and other connected applications. Our NetworkFleet solution provides commercial fleet managers throughout North America with real-time access to data that yields operational efficiencies, increased vehicle reliability and improved driver safety. We also provide this service to approximately 18,000 vehicles operated by Verizon. We are further expanding our telematics portfolio to add asset tracking capabilities.

In addition to these strategic areas of focus, we are investing in Verizon Labs and the Software Center of Excellence to support software development and architecture as well as development stage products and services. We believe these investments will assist us in bringing innovative next-generation products and services to market and uncover new sources of revenue, increase revenue of existing projects and leverage our strengths across the company.

Network

To provide services to our customers, we operate an advanced telecommunications network in the United States and around the world.

- *FiOS.* Our goal is to distinguish FiOS as a premier residential broadband service in the United States. As of December 31, 2013, our FiOS service passed over 18.5 million premises and our latest FiOS Quantum service offerings now provide download speeds up to 500 Mbps and upload speeds up to 100 Mbps. New services such as the FiOS Mobile App are also extending our TV experience to a host of mobile devices. We expect bandwidth demands to grow with the continued emergence of new video and data applications and the proliferation of IP devices in the home.

  The Passive Optical Network technology upon which the FiOS network is deployed positions Verizon to meet growing bandwidth requirements. Our network architecture provides the flexibility to adapt our facilities more easily to future product development. For example, new optical terminals can be added to the fiber-to-the-premise network providing greater bandwidth and new services without any additional field construction. Select field trials have successfully achieved connection speeds of nearly one gigabit per second (Gbps), and when a more advanced next-generation technology has been connected to the fiber-optic network, connection speeds of 10 Gbps have been reached, demonstrating the significant growth capacity built into the FiOS platform.

  Additionally, this advanced optical network is also finding increased application opportunities in the business sector, especially as the industry seeks to migrate to Ethernet-based access services.

- *Global IP.* Verizon owns and operates one of the largest global fiber networks with long haul, metro and submarine cable assets providing connectivity to customers in over 150 countries. Verizon's global network encompasses over 830,000 route miles of terrestrial and undersea cable, serving the business community to support and enable far reaching international operations.

  Global IP traffic has increased substantially over the last five years and is expected to continue to grow significantly. This global business is also rapidly evolving to an "everything-as-a-service" model in which business customers seek cloud-based, converged enterprise solutions delivered securely via managed and professional services. With the continued deployment of its packet optical transport strategy, Verizon is creating a single, high-capacity global network platform that combines optical transport with advanced packet switching technology. The result is a global IP network that can offer powerful solutions to these service demands.

  Although overall Wireline capital expenditures declined in 2013 compared to 2012 primarily as a result of decreased legacy spending requirements and a decline in spending on our FiOS network, we furthered our Global IP network expansion initiatives into Europe, Asia, Africa and South America, as well as the continued deployment of the industry's first commercial 100G Gbps technology on U.S. and European backbone routes. More than 13,000 100G Ultra-Long-Haul route miles were added to the global IP network in 2013, and we plan to further extend our 100G technology in 2014.

We believe that our continued focus on advancing our fiber-based networks and achieving cost efficient solutions through new technology deployments will help Verizon advance its position as a provider of choice to residential and enterprise customers.

Competition

The wireline telecommunications industry is highly competitive. We expect competition to intensify further with traditional, non-traditional and emerging players seeking increased market share. Current and potential competitors include cable companies, wireless service providers, other domestic and foreign telecommunications providers, satellite television companies, Internet service providers and other companies that offer network services and managed enterprise solutions.

In addition, companies with a global presence increasingly compete with our wireline businesses. A relatively small number of telecommunications and integrated service providers with global operations serve customers in the global enterprise and, to a lesser extent, global wholesale markets. We compete with these full or near-full service providers for large contracts to provide integrated services to global enterprises. Many of these companies have a strong market presence, brand recognition and existing customer relationships, all of which contribute to intensifying competition and which may affect our future revenue growth.

We believe the following are the most important competitive factors and trends in the wireline industry:

- *Customer service.* Customers expect industry-leading service from their service providers. As technologies and services evolve, the ability to excel in this area is very important for customer acquisition and retention. In Mass Markets, we compete in this area through our service representatives and online support. In Global Enterprise, we provide our customers with ready access to their system and performance information, and we conduct proactive testing of our network to identify issues before they affect customers. In the wholesale business, we believe service improvement can be achieved through continued system automation initiatives.
- *Network reliability and bandwidth (speed).* As both consumers and small business customers look to leverage high-speed connections for entertainment, communications and productivity, we expect broadband penetration will continue to increase over the next several years. As online and online-enabled activities increase, so will bandwidth requirements, both downstream and upstream. To succeed, we and other network-based providers must ensure that our networks can deliver against these increasing bandwidth requirements. We continue to invest in our network to be able to meet this future demand. In addition, network reliability and security are increasingly important competitive factors in the global enterprise market.
- *Pricing.* Cable, telecommunications companies and integrated service providers use pricing to capture market share from incumbents. Pricing is also a significant factor as non-traditional modes of providing communication services emerge and new entrants compete for customers. For example, VoIP and portal-based calling is free or nearly free to customers and is often supported by advertising revenues.
- *Product differentiation.* As a result of pricing pressures, providers need to differentiate their products and services. Customers are shifting their focus from access to applications and are seeking ways to leverage their broadband and video connections. Converged features, such as integrated wireless and wireline functionality, are becoming similarly important, driven by both customer demand and technological advancement.

In the Mass Markets business, cable operators are significant competitors. Cable operators have increased the size and digital capacity of their networks so that they can offer digital products and services. We continue to market competitive bundled offerings that include high-speed Internet access, digital television and voice services. Several major cable operators also offer bundles with wireless services through strategic relationships.

In addition, wireless substitution is an ongoing competitive trend, which we expect to continue as wireless companies position their service as a landline alternative. We also face increasing competition from cable companies and other providers of VoIP services, such as Internet portal providers.

As a result of the Telecommunications Act of 1996, which requires us to allow potential competitors to purchase our services for resale or access components of our network on an unbundled basis at a prescribed cost, competition in our local exchange markets continues. Our telephone operations generally have been required to sell their services to competitive local exchange carriers at significant discounts from the prices our telephone operations charge their retail customers. The scope of these obligations going forward and the rates we receive are subject to ongoing review and revision by the FCC and state regulators. (See "Regulatory and Competitive Trends" in the 2013 Verizon Annual Report to Shareowners.)

In the global enterprise market, the customer's need to reduce technical complexity coupled with the growth opportunity created by technology convergence is driving the expansion of the competitive landscape. Major competitors include system integrators, carriers and hardware and software providers. Some of the biggest companies in IT services are either making acquisitions or forging new alliances to be better positioned for a rebound in technology spending. Most new alliances and acquisitions have focused on emerging fields such as cloud computing, software delivery, communication applications and other computing tasks.

via the network, rather than on in-house machines. Carriers have also utilized acquisitions to make significant inroads into enterprise outsourcing markets that have long been dominated by the major IT outsourcers.

Global Wholesale competes with traditional carriers for long-haul voice and IP services. In addition, mobile video and data needs are driving a greater need for wireless backhaul. Network providers, cable companies and niche players are competitors for this new revenue opportunity.

Patents, Trademarks and Licenses

Verizon owns or has licenses to various patents, copyrights, trademarks, domain names and other intellectual property rights necessary to conduct our business. We actively pursue the filing and registration of patents, copyrights, domain names, trademarks and service marks to protect our intellectual property rights within the United States and abroad. Verizon also actively grants licenses, in exchange for appropriate fees or other consideration and subject to appropriate safeguards and restrictions, to other companies that enable such companies to utilize certain Verizon intellectual property rights and proprietary technology as part of their products and services. Such licenses enable such third party licensees to take advantage of the results of Verizon's research and development efforts. While these licenses result in valuable consideration being paid to Verizon, we do not believe that loss of such consideration, or the expiration of any of our intellectual property rights, would have a material effect on our results of operations.

Verizon periodically receives offers from third parties to purchase or obtain licenses for patents and other intellectual property rights in exchange for royalties or other payments. We also periodically receive notices alleging that our products or services infringe on third party patents or other intellectual property rights. These claims, whether against us directly or against third-party suppliers of products or services that we, in turn, sell to our customers, if successful, could require us to pay damages or royalties or cease offering the relevant products or services.

Acquisitions and Divestitures

"Acquisitions and Divestitures" on pages 32 through 33 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Regulatory and Competitive Trends

"Regulatory and Competitive Trends" included in "Other Factors That May Affect Future Results" on pages 34 through 35 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Environmental Matters

"Environmental Matters" included in "Other Factors That May Affect Future Results" on page 35 of the 2013 Verizon Annual Report to Shareowners is incorporated by reference into this report.

Executive Officers

See Part III, Item 10, "Directors, Executive Officers and Corporate Governance" of this Annual Report on Form 10-K for information about our executive officers.

Employees

As of December 31, 2013, Verizon and its subsidiaries had approximately 176,800 employees. Unions represent approximately 28% of our employees.

Information on Our Internet Website

We make available, free of charge on our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports at www.verizon.com/investor. Verizon has adopted a code of ethics, as that term is defined in Item 406(b) of Regulation S-K, which applies to our Chief Executive Officer, Chief Financial Officer and Controller. A copy of this code may be found on our website at www.verizon.com/investor. Any amendments to this code or any waiver of this code for any executive officer will be posted on that website.

Cautionary Statement Concerning Forward-Looking Statements

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all;
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing;
- significantly increased levels of indebtedness as a result of the Wireless Transaction;
- changes in tax laws or treaties, or in their interpretation;
- adverse conditions in the U.S. and international economies;
- material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact;
- material changes in technology or technology substitution;
- disruption of our key suppliers' provisioning of products or services;
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks;
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance;
- the effects of competition in the markets in which we operate;
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings;
- significant increases in benefit plan costs or lower investment returns on plan assets; and
- the inability to implement our business strategies.

The following discussion of "Risk Factors" identifies the most significant factors that may adversely affect our business, operations, financial condition or future performance. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Result of Operations" and the consolidated financial statements and related notes. The following discussion of risks is not all-inclusive but is designed to highlight what we believe are important factors to consider when evaluating our business and expectations. These factors could cause our future results to differ materially from our historical results and from expectations reflected in forward-looking statements.

Adverse conditions in the U.S. and international economies could impact our results of operations.

Unfavorable economic conditions, such as a recession or economic slowdown in the United States or elsewhere, could negatively affect the affordability of and demand for some of our products and services. In difficult economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of our products, electing to use fewer higher margin services or obtaining lower-cost products and services offered by other companies. Similarly, under these conditions, the business customers that we serve may defer purchasing decisions, delay full implementation of service offerings or reduce their use of services. In addition, adverse economic conditions may lead to an increased number of our consumer and business customers that are unable to pay for services. If these events were to occur, it could have a material adverse effect on our results of operations.

We face significant competition that may reduce our profits.

We face significant competition in our industry. The rapid development of new technologies, services and products has eliminated many of the traditional distinctions among wireless, cable, Internet, local and long distance communication services and brought new competitors to our markets, including other telephone companies, cable companies, wireless service providers, satellite providers, application and device providers, electric utilities and providers of VoIP services. While these changes have enabled us to offer new types of products and services, they have also allowed other providers to broaden the scope of their own competitive offerings. Our ability to compete effectively will depend on, among other things, our network quality, capacity and coverage, the pricing of our products and services, the quality of our customer service, our development of new and enhanced products and services, the reach and quality of our sales and distribution channels and our capital resources. It will also depend on how successfully we anticipate and respond to various factors affecting our industry, including new technologies and business models, changes in consumer preferences and demand for existing services, demographic trends and economic conditions. If we are not able to respond successfully to these competitive challenges, we could experience reduced profits.

If we are not able to adapt to changes in technology and address changing consumer demand on a timely basis, we may experience a decline in the demand for our services, be unable to implement our business strategy and experience reduced profits.

Our industry is experiencing rapid change as new technologies are developed that offer consumers an array of choices for their communications needs. In order to grow and remain competitive, we will need to adapt to future changes in technology, enhance our existing offerings and introduce new offerings to address our customers' changing demands. If we are unable to meet future challenges from competing technologies on a timely basis or at an acceptable cost, we could lose customers to our competitors. We may not be able to accurately predict technological trends or the success of new services in the market. In addition, there could be legal or regulatory restraints on our introduction of new services. If our services fail to gain acceptance in the marketplace, or if costs associated with implementation and completion of the introduction of these services materially increase, our ability to retain and attract customers could be adversely affected.

In addition to introducing new technologies and offerings, we must phase out outdated and unprofitable technologies and services. If we are unable to do so on a cost-effective basis, we could experience reduced profits. In addition, there could be legal or regulatory restraints on our ability to phase out current services.

We depend on key suppliers and vendors to provide equipment that we need to operate our business.

We depend on various key suppliers and vendors to provide us, directly or through other suppliers, with equipment and services, such as switch and network equipment and handsets, that we need in order to operate our business and provide products to our customers. For example, our handset and other device suppliers often rely on one vendor for the manufacture and supply of critical components, such as chipsets, used in their devices. If these suppliers or vendors fail to provide equipment or service on a timely basis or fail to meet our performance expectations, we may be unable to provide products and services as and when requested by our customers. We also may be unable to continue to maintain or upgrade our networks. Because of the costs and time lags that

can be associated with transitioning from one supplier to another, our business could be substantially disrupted if we were required to, or chose to, replace the products or services of one or more major suppliers with products or services from another source, especially if the replacement became necessary on short notice. Any such disruption could increase our costs, decrease our operating efficiencies and have a material adverse effect on our business, results of operations and financial condition.

The suppliers and vendors on which we rely may also be subject to litigation with respect to technology on which we depend, including litigation involving claims of patent infringement. Such claims have been growing rapidly in the communications industry. We are unable to predict whether our business will be affected by any such litigation. We expect our dependence on key suppliers to continue as we develop and introduce more advanced generations of technology.

Changes in the regulatory framework under which we operate could adversely affect our business prospects or results of operations.

Our domestic operations are subject to regulation by the FCC and other federal, state and local agencies, and our international operations are regulated by various foreign governments and international bodies. These regulatory regimes frequently restrict or impose conditions on our ability to operate in designated areas and to provide specified products or services. We are frequently required to maintain licenses for our operations and conduct our operations in accordance with prescribed standards. We are often involved in regulatory and other governmental proceedings related to the application of these requirements. It is impossible to predict with any certainty the outcome of pending federal and state regulatory proceedings relating to our operations, or the reviews by federal or state courts of regulatory rulings. Without relief, existing laws and regulations may inhibit our ability to expand our business and introduce new products and services. Similarly, we cannot guarantee that we will be successful in obtaining the licenses needed to carry out our business plan or in maintaining our existing licenses. For example, the FCC grants wireless licenses for terms generally lasting 10 years, subject to renewal. The loss of, or a material limitation on, certain of our licenses could have a material adverse effect on our business, results of operations and financial condition.

New laws or regulations or changes to the existing regulatory framework at the federal, state and local, or international level could restrict the ways in which we manage our wireline and wireless networks, impose additional costs, impair revenue opportunities and potentially impede our ability to provide services in a manner that would be attractive to us and our customers. For example, certain services could be subject to conflicting regulation by the FCC and/or various state and local authorities, which could significantly increase the cost of implementing and introducing new services. As another example, we hold certain wireless licenses that require us to comply with so-called "open access" FCC regulations, which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice. In addition, our broadband Internet access services are subject to various attempts to impose so-called "network neutrality" rules, some of which were affirmed and others vacated on appeal in early 2014. Proponents of these rules want to limit the ways that a broadband Internet access service provider can structure business arrangements and manage its network. The further regulation of broadband, wireless, and our other activities and any related court decisions could restrict our ability to compete in the marketplace and limit the return we can expect to achieve on past and future investments in our networks.

Cyber attacks or other breaches of network or information technology security could have an adverse effect on our business.

Cyber attacks or other breaches of network or information technology (IT) security may cause equipment failures or disruptions to our operations. Our inability to operate our wireline or wireless networks as a result of such events, even for a limited period of time, may result in significant expenses and/or loss of market share to other communications providers. In addition, the potential liabilities associated with these events could exceed the insurance coverage we maintain. Cyber attacks, which include the use of malware, computer viruses and other means for disruption or unauthorized access, on companies, including Verizon, have increased in frequency, scope and potential harm in recent years. While, to date, we have not been subject to cyber attacks or other cyber incidents which, individually or in the aggregate, have been material to our operations or financial condition, the preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber attack in the future. The costs associated with a major cyber attack on Verizon could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cyber security measures, lost revenues from business interruption and litigation. Further, certain of Verizon's businesses, including the provisioning of security solutions and infrastructure and cloud services to business customers, could be negatively affected if our ability to protect our own networks is called into question as a result of a cyber attack. In addition, if we fail to prevent the theft of valuable information such as financial data, sensitive information about Verizon and intellectual property, or if we fail to protect the privacy of customer and employee confidential data against breaches of network or IT security, it could result in damage to our reputation, which could adversely impact customer and investor confidence. Any of these occurrences could result in a material adverse effect on our results of operations and financial condition.

Natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations.

Our business operations are subject to interruption by natural disasters, power outages, terrorist attacks, other hostile acts and events beyond our control. Such events could cause significant damage to our infrastructure upon which our business operations rely, resulting in degradation or disruption of service to our customers. While we maintain insurance coverage for some of these events, the potential liabilities associated with these events could exceed the insurance coverage we maintain. Our system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. These events could also damage the infrastructure of the suppliers that provide us with the equipment and services we need to operate our business and provide products to our customers. A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to our reputation.

Verizon's debt has increased significantly and could increase further if Verizon incurs additional debt in the future and does not retire existing debt.

As of December 31, 2013, Verizon had approximately $93.6 billion of outstanding indebtedness, as well as approximately $6.1 billion of unused borrowing capacity under its existing credit facility. Since that date, Verizon has incurred $20.3 billion of additional indebtedness and became entitled to draw upon an additional $2 billion of borrowing capacity under a 364-day revolving credit agreement. Verizon's debt level and related debt service obligations could have negative consequences including:

- requiring Verizon to dedicate significant cash flow from operations to the payment of principal, interest and other amounts payable on its debt and the preferred stock issued by the entity acquired from Vodafone, which would reduce the funds Verizon has available for other purposes, such as working capital, capital expenditures and acquisitions;
- making it more difficult or expensive for Verizon to obtain any necessary future financing for working capital, capital expenditures, debt service requirements, debt refinancing, acquisitions or other purposes;
- reducing Verizon's flexibility in planning for or reacting to changes in its industry and market conditions;
- making Verizon more vulnerable in the event of a downturn in its business; and
- exposing Verizon to increased interest rate risk given that a portion of its debt obligations are at variable interest rates.

In addition, the term loan agreement Verizon entered into in connection with the Wireless Transaction requires Verizon to maintain a certain leverage ratio unless Verizon's credit ratings are at or above a certain level, which could limit Verizon's ability to obtain additional financing in the future.

Adverse changes in the credit markets could increase our borrowing costs and the availability of financing.

We require a significant amount of capital to operate and grow our business. We fund our capital needs in part through borrowings in the public and private credit markets. Adverse changes in the credit markets, including increases in interest rates, could increase our cost of borrowing and/or make it more difficult for us to obtain financing for our operations or refinance existing indebtedness. In addition, our borrowing costs can be affected by short- and long-term debt ratings assigned by independent rating agencies which are based, in significant part, on our performance as measured by customary credit metrics. A decrease in these ratings would likely increase our cost of borrowing and/or make it more difficult for us to obtain financing. A severe disruption in the global financial markets could impact some of the financial institutions with which we do business and such instability could also affect our access to financing.

Increases in costs for pension benefits and active and retiree healthcare benefits may reduce our profitability and increase our funding commitments.

With approximately 176,800 employees and approximately 209,000 retirees as of December 31, 2013 eligible to participate in Verizon's benefit plans, the costs of pension benefits and active and retiree healthcare benefits have a significant impact on our profitability. Our costs of maintaining these plans, and the future funding requirements for these plans, are affected by several factors, including the continuing implementation of the provisions of the Patient Protection and Affordable Care Act and the Health Care Education Reconciliation Act of 2010, increases in healthcare costs, decreases in investment returns on funds held by our pension and other benefit plan trusts and changes in the discount rate used to calculate pension and other postretirement expenses. If we are unable to limit future increases in the costs of our benefit plans, those costs could reduce our profitability and increase our funding commitments.

A significant portion of our workforce is represented by labor unions, and we could incur additional costs or experience work stoppages as a result of the renegotiation of our labor contracts.

As of December 31, 2013, approximately 28% of our workforce was represented by labor unions. We are currently engaged in contract negotiations with labor unions representing approximately 2,900 employees of our wireline business, and we will engage in additional negotiations as other labor contracts expire in the future. Depending on the outcome of these negotiations, we could incur additional costs and/or experience lengthy work stoppages which could adversely affect our business operations, including loss of revenue and strained relationships with customers.

We are subject to a significant amount of litigation, which could require us to pay significant damages or settlements.

Our business faces a substantial amount of litigation, including from time to time patent infringement lawsuits, antitrust class actions, wage and hour class actions, personal injury claims and lawsuits relating to our advertising, sales, billing and collection practices. In addition, our wireless business also faces personal injury and consumer class action lawsuits relating to alleged health effects of wireless phones or radio frequency transmitters and class action lawsuits that challenge marketing practices and disclosures relating to alleged adverse health effects of handheld wireless phones. We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards or settlements.

Sales of shares of Verizon common stock after the completion of the Wireless Transaction may cause the market price of Verizon common stock to fall.

As of December 31, 2013, Verizon had approximately 2.86 billion shares of common stock outstanding. Verizon issued approximately 1.25 billion shares of Verizon common stock in connection with the Wireless Transaction. The issuance of these new shares of Verizon common stock could have the effect of depressing the market price for Verizon common stock.

In addition, many Vodafone shareholders are already shareholders of Verizon and those shareholders may decide not to hold the additional Verizon shares they received in the Wireless Transaction. Other Vodafone shareholders, such as funds with geographic limitations on their permitted investments, may be required to sell the shares of Verizon common stock that they received in the Wireless Transaction. Such sales of Verizon common stock could also have the effect of depressing the market price for Verizon common stock.

None.

Our principal properties do not lend themselves to simple description by character and location. Our total investment in plant, property and equipment was approximately $221 billion at December 31, 2013 and $210 billion at December 31, 2012, including the effect of retirements but before deducting accumulated depreciation. Our gross investment in plant, property and equipment consisted of the following:

At December 31	2013	2012
Network equipment	80.1%	79.7%
Land, buildings and building equipment	11.2%	11.3%
Furniture and other	8.7%	9.0%
	100.0%	100.0%

Our properties as a percentage of total properties are as follows:

At December 31,	2013	2012
Wireline	61.3%	62.4%
Wireless	37.7%	36.5%
Other	1.0%	1.1%
	100.0%	100.0%

Network equipment consists primarily of cable (aerial, buried, underground or undersea) and the related support structures of poles and conduit; wireless plant; switching equipment; network software; transmission equipment and related facilities. Land, buildings and building equipment consists of land and land improvements, central office buildings or any other buildings that house network equipment, and buildings that are used for administrative and other purposes. Substantially all the switching centers are located on land and in buildings we own due to their critical role in the network and high set-up relocation costs. We also maintain facilities throughout the United States comprised of administrative and sales offices, customer care centers, retail sales locations, garage work centers, switching centers, cell sites and data centers. Furniture and other consists of telephone equipment, furniture, data processing equipment, office equipment, motor vehicles, plant under construction, capitalized non-network computer software costs and leasehold improvements. A portion of our property is subject to the liens of their respective mortgages securing funded debt.

On September 15, 2010, the US Bank National Association (US Bank), as Litigation Trustee for the Ideare Inc. Litigation Trust (Litigation Trust), filed suit in US District Court for the Northern District of Texas against Verizon and certain subsidiaries challenging the November 2006 spin-off of Verizon's former directories business then known as Ideare Inc. US Bank, which represents a group of creditors who filed claims in Ideare's bankruptcy, alleged that Ideare was insolvent at the time of the spin-off or became insolvent shortly thereafter. The Litigation Trust sought over $9 billion in damages. Following a two-week trial in October 2012 limited to the question of the value of Ideare, Inc. on the date of the spin-off on January 22, 2013, the Court issued a decision finding that the value was "at least $12 billion." As $12 billion exceeds the value of the debt and cash that Ideare transferred to Verizon on the date of the spin-off, the Court issued a related Order to Show Cause directing the Litigation Trust to submit a brief that "explains why any (or all) of its legal claims are viable in light of the court's finding on Ideare's value." In its June 18, 2013 decision, the Court entered judgment for Verizon and its subsidiaries and ruled that US Bank would "take nothing" on its claims. US Bank appealed the decision to the US Court of Appeals for the Fifth Circuit, where briefing is scheduled to be completed in the first quarter of 2014.

On October 25, 2011, a Litigation Trust created during the bankruptcy proceedings of FairPoint Communications, Inc. filed a complaint in state court in Mecklenburg County, North Carolina against Verizon and other related entities. The complaint claims that FairPoint's acquisition of Verizon's landline operations in Maine, New Hampshire and Vermont in March 2008 was structured and carried out in a way that left FairPoint insolvent or led to its insolvency shortly thereafter and ultimately to its October 2009 bankruptcy. The Litigation Trust seeks approximately $2 billion in damages. Verizon removed the case to the United States District Court for the Western District of North Carolina in November 2011. At the close of discovery in February 2012, Verizon filed a summary judgment motion to dismiss the two counts in the complaint—constructive fraudulent transfer and actual fraudulent transfer. On June 12, 2013, the Court granted Verizon's summary judgment motion in part, dismissing the Litigation Trust's constructive fraudulent transfer claim. A two-week bench trial limited to the actual fraudulent transfer claim concluded December 13, 2013.

In October 2013, the California Attorney General's Office notified Verizon California Inc. and other Verizon companies of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries and aerosol cans at certain California facilities. We are cooperating with this investigation and continue to review our operations relating to the management of hazardous waste. While penalties relating to the alleged violations could exceed $100,000, we do not expect that any penalties ultimately incurred will be material.

None.

The principal market for trading in the common stock of Verizon is the New York Stock Exchange. As of December 31, 2013, there were 585,931 shareowners of record.

High and low stock prices, as reported on the New York Stock Exchange composite tape of transactions, and dividend data are as follows:

		Market Price		Cash Dividend
		High	Low	Declared
2013	Fourth Quarter	$ 51.49	$ 46.03	$ .530
	Third Quarter	51.94	45.08	.530
	Second Quarter	54.31	47.77	.515
	First Quarter	49.59	41.50	.515
2012	Fourth Quarter	$ 47.32	$ 40.51	$ .515
	Third Quarter	46.41	42.18	.515
	Second Quarter	44.77	36.80	.500
	First Quarter	40.48	37.07	.500

On February 3, 2011, the Board approved a share buyback program which authorized the repurchase of up to 100 million shares of Verizon common stock terminating no later than the close of business on February 28, 2014. The Board also determined that no additional shares were to be purchased under the previously authorized buyback program. The program permits Verizon to repurchase shares over time, with the amount and timing of repurchases depending on market conditions and corporate needs. The Company may also enter into Rule 10b5-1 plans from time to time to facilitate repurchases of its shares under this authorization. A Rule 10b5-1 plan permits the Company to repurchase shares at times when it might otherwise be prevented from doing so, provided the plan is adopted when the Company is not aware of material non-public information.

During the fourth quarter of 2013, Verizon did not repurchase any shares of Verizon common stock. At December 31, 2013, the maximum number of shares that could be purchased by or on behalf of Verizon under our share buyback program was 96.5 million.

For other information required by this item, see the section entitled "Stock Performance Graph" on page 9 of the 2013 Verizon Annual Report to Shareowners, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Selected Financial Data" on page 9, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 10 through 28, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners under the heading "Market Risk" on page 29, which is incorporated herein by reference.

Information required by this item is included in the 2013 Verizon Annual Report to Shareowners on pages 38 through 71, which is incorporated herein by reference.

None.

Our chief executive officer and chief financial officer have evaluated the effectiveness of the registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934), as of the end of the period covered by this Annual Report, that ensure that information relating to the registrant which is required to be disclosed in this report is recorded, processed, summarized and reported within required time periods. Based on this evaluation, our chief executive officer and chief financial officer have concluded that the registrant's disclosure controls and procedures were effective as of December 31, 2013.

In the ordinary course of business, we review our system of internal control over financial reporting and make changes to our systems and processes intended to ensure an effective internal control environment. We are continuing an initiative to implement new financial systems that will continue in phases over the next several quarters. We are also continuing an initiative to standardize and centralize transaction-processing activities within our accounting processes, which we expect to continue over the next several years. These initiatives will incorporate certain changes in personnel as well. In connection with these initiatives and the resulting changes in our financial systems and transaction-processing activities, the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective.

Except as noted above, there were no changes in the Company's internal control over financial reporting during the fourth quarter of 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's report on internal control over financial reporting and the attestation report of Verizon's independent registered public accounting firm are included in the 2013 Verizon Annual Report to Shareowners on pages 36 and 37 and are incorporated herein by reference.

None.

Set forth below is information with respect to our executive officers.

Name	Age	Office	Held Since
Lowell C. McAdam	59	Chairman and Chief Executive Officer	2011
Roy H. Chestnutt	54	Executive Vice President – Strategy, Development and Planning	2013
Roger Gurnani	53	Executive Vice President and Chief Information Officer	2010
Daniel S. Mead	60	Executive Vice President and President and Chief Executive Officer – Verizon Wireless	2010
Anthony J. Melone	53	Executive Vice President and Chief Technology Officer	2010
Randal S. Milch	55	Executive Vice President - Public Policy and General Counsel	2008
W. Robert Mudge	54	President - Consumer and Mass Business Markets	2012
Marc C. Reed	55	Executive Vice President and Chief Administrative Officer	2004
Francis J. Shammo	53	Executive Vice President and Chief Financial Officer	2010
Anthony T. Skiadas	45	Senior Vice President and Controller	2013
John G. Stratton	52	Executive Vice President and President – Verizon Enterprise Solutions	2012
Mami M. Walden	46	Executive Vice President and President – Product and New Business Innovation	2014

Prior to serving as an executive officer, each of the above officers has held high-level managerial positions with the Company or one of its subsidiaries for at least five years, with the exception of Mr. Chestnutt, who has been with the Company since 2011. Officers are not elected for a fixed term of office and may be removed from office at any time at the discretion of the Board of Directors.

Roy H. Chestnutt is Executive Vice President – Strategy, Development and Planning for Verizon. From the time he joined the Company in 2011 until he was appointed to his current role in January 2013, Mr. Chestnutt was Senior Vice President of Corporate Strategy. Prior to joining Verizon, Mr. Chestnutt served as Corporate Vice President of the Americas at Motorola Networks from June 2010 to June 2011, and from 2006 to 2009, Mr. Chestnutt was Chairman and Chief Executive Officer of Grande Communications Networks (Grande), a facilities-based provider of bundled communications services. Prior to joining Grande, Mr. Chestnutt held a variety of management positions with Sprint-Nextel Corporation, Nextel Communications and AirTouch Communications.

Set forth below is information with respect to Directors currently in office who are retiring from the Board of Directors in April 2014 and are not standing for re-election:

Sandra O. Moose

Dr. Moose, 72, is President of Strategic Advisory Services LLC, a consulting firm. She was Senior Managing Partner of The Boston Consulting Group, Inc. (BCG) until 2004. At BCG, Dr. Moose provided strategic planning, operational effectiveness and related consulting services to global clients in a variety of industries, including consumer and industrial goods, financial services and telecommunications, over a 35-year career. Dr. Moose was a principal founder of BCG's Financial Services practice and a key contributor to the development of the firm's early management concepts. She led BCG's New York office from 1988 to 1998 and was Chair of the East Coast region, which accounted for approximately 20% of BCG's overall revenues from 1994 to 1999.

Dr. Moose's experience at BCG as a strategic advisor to diverse clients enables her to advise the Board and senior management on key issues of corporate strategy, including with respect to global growth, consumer goods and telecommunications issues. In addition to her strategic planning expertise, Dr. Moose has been the chair or presiding director of several public companies and several charitable organizations, which has given her extensive expertise in corporate governance. Dr. Moose also brings to the Board substantial financial expertise and insights into the views of institutional investors, which are important to Verizon as a public company.

Dr. Moose has served as a Director of Verizon since 2000 and was a director of GTE Corporation from 1979 to 2000. She is Presiding Director, Chairperson of the Corporate Governance and Policy Committee and a member of the Audit Committee. Dr. Moose is also Chairperson of the Board of Trustees of Natixis Advisor Funds (where she has served as a trustee of the funds and their predecessors since 1982) and Loomis Sayles Funds (where she has served as a trustee since 2003) and a director of The AES Corporation (since 2004). In the past five years, Dr. Moose has served on the board of Rohm and Haas Company as its lead director.

Joseph Neubauer

Mr. Neubauer, 72, is Chairman of ARAMARK Holdings Corporation and its subsidiary, ARAMARK Corporation, a professional services company. Until May 2012, he was also the Chief Executive Officer. He has served in those roles with ARAMARK and its predecessors for more than 25 years. ARAMARK, approximately 272,000 employees provide food, hospitality, facility and uniform services in 22 countries and generated $13.9 billion in revenue during its 2013 fiscal year. Mr. Neubauer joined ARAMARK's predecessor, AFA Services, in 1979 as Executive Vice President of Finance and Development, Chief Financial Officer and a director. He was elected President in 1981, Chief Executive Officer in 1983 and Chairman in 1984.

During his long tenure as Chairman and Chief Executive Officer of ARAMARK, Mr. Neubauer gained business and management experience leading a large, complex organization with international operations and a large, diverse workforce. This experience gives him a thorough understanding of many important issues facing Verizon. Mr. Neubauer brings to the Board, along with other skills and qualifications, extensive expertise in corporate finance, strategy and development. His broad background in hospitality and professional services, as well as his in-depth knowledge of consumer services, gives Mr. Neubauer insights on reaching retail and business customers, which is critical to Verizon's success.

Mr. Neubauer has served as a Director of Verizon since 1998 and is Chairperson of the Human Resources Committee. He is also a director of Macy's, Inc. (since 1992).

Hugh B. Price

Mr. Price, 72, is a Non-Resident Senior Fellow at The Brookings Institution, an independent research and policy institute. Mr. Price was President and Chief Executive Officer of the National Urban League from 1994 until 2003. During that time, Mr. Price restructured its board of directors, developed a new mission for the League and established its research and policy center.

Following his work at the National Urban League, Mr. Price was Senior Advisor of DLA Piper Rudnick Gray Cary US LLP from 2003 to 2005 and a Non-Resident Senior Fellow of the Economic Studies Program at The Brookings Institution from 2006 to 2008. From 2008 to June 2013, he served as a visiting professor at the Woodrow Wilson School at Princeton University. Prior to joining the National Urban League, Mr. Price held a variety of positions in journalism, law and public interest organizations, including serving on the Editorial Board of *The New York Times*.

Mr Price brings to the Board among other skills and qualifications a wide range of experience in leadership positions in both the private and non-profit sectors As a result of his experience at the National Urban League and The Brookings Institution Mr Price is able to advise the Board and senior management on economic, government and public interest issues His extensive management and leadership experience enables him to provide insights on corporate governance matters He also has expertise in strategic planning, operations management and business services, which are critical issues for Verizon

Mr Price has served as a Director of Verizon since 1997 and was a Director of NYNEX Corporation from 1995 to 1997 He is a member of the Corporate Governance and Policy Committee Mr Price is also a director of MetLife Inc (since 1999) and Metropolitan Life Insurance Company (since 1994)

Other information required by this item is incorporated by reference to the biographies of the Directors standing for re-election on pages 11-16 of Exhibit 99 the section entitled Section 16(a) Beneficial Ownership Reporting Compliance" on page 59 of Exhibit 99 the section entitled Business Conduct and Ethics" on page 2 of Exhibit 99 and the information relating to the Audit Committee on page 5 of Exhibit 99 There have been no material changes to shareholder nominating procedures

Information with respect to executive compensation is incorporated by reference to the sections entitled Compensation Discussion and Analysis" and Compensation Tables on pages 31-57 of Exhibit 99 The Compensation Committee Report is incorporated by reference to page 41 of Exhibit 99 There were no compensation committee interlocks or insider transactions required to be disclosed pursuant to Item 407(e)(4) of Regulation S-K under the Securities Exchange Act of 1934

Information with respect to security ownership is incorporated by reference to the section entitled Security Ownership of Certain Beneficial Owners and Management on pages 57-59 of Exhibit 99

The following table provides information as of December 31, 2013 for (i) all equity compensation plans previously approved by the Company's shareholders and (ii) all equity compensation plans not previously approved by the Company's shareholders Since May 9, 2009 the Company has only issued awards under the 2009 Verizon Communications Inc Long-Term Incentive Plan (2009 LTIP) which provides for awards of stock options restricted stock, restricted stock units, performance stock units and other equity-based hypothetical stock units to employees of Verizon and its subsidiaries No new awards are permitted to be issued under any other equity compensation plan In accordance with SEC rules the table does not include outstanding awards that are payable solely in cash by the terms of the award and such awards do not reduce the number of shares remaining for issuance under the 2009 LTIP

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	17,133,926 (1)	$ 34.35 (2)	99,062,483 (3)
Equity compensation plans not approved by security holders	248,756 (4)	—	—
Total	17,382,682	$ 34.35	99,062,483

(1) This amount includes 982,881 shares of common stock subject to outstanding stock options, 16,120,285 shares of common stock subject to outstanding restricted stock units and performance stock units, and 30,760 shares subject to outstanding deferred stock units, in each case including, for awards other than stock options, dividend equivalents accrued on such awards through December 31, 2013 This does not include performance stock units, deferred stock units and deferred share equivalents payable solely in cash None of the outstanding stock options include tandem dividend equivalent rights

(2) This number reflects the weighted average exercise price of outstanding stock options Verizon's outstanding restricted stock units, performance stock units and deferred stock units do not have exercise prices associated with the settlement of these awards

(3) This number reflects the number of shares of common stock that remained available for future issuance under the 2009 LTIP

(4) This number reflects shares subject to deferred stock units credited to the Verizon Income Deferral Plan, which were awarded in 2002 under the Verizon Communications Broad-Based Incentive Plan No new awards are permitted to be issued under that plan

Information with respect to transactions with related persons is incorporated by reference to the section entitled "Related Person Transaction Policy" on pages 2-3 of Exhibit 99 Information with respect to Director independence, is incorporated by reference to the section entitled Independence" on page 3 of Exhibit 99

Information with respect to principal accountant fees and services is incorporated by reference to the section entitled Ratification of Appointment of Independent Registered Public Accounting Firm" on page 17 of Exhibit 99

(a) Documents filed as part of this report

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(1)	Report of Management on Internal Control Over Financial Reporting	*
(2)	Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting	*
(3)	Report of Independent Registered Public Accounting Firm on Financial Statements	*
	Financial Statements covered by Report of Independent Registered Public Accounting Firm	
	Consolidated Statements of Income	*
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	Consolidated Statements of Changes in Equity	*
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	* Incorporated herein by reference to the appropriate portions of the registrant's Annual Report to Shareowners for the fiscal year ended December 31, 2013 (See Part II)	
(4)	Financial Statement Schedule	
	II – Valuation and Qualifying Accounts	28
(5)	Exhibits	

Exhibit Number Description

3a(i) Restated Certificate of Incorporation of Verizon Communications Inc (Verizon) (filed as Exhibit 3a to Form 10-K for the year ended December 31, 2005 and incorporated herein by reference)

3a(ii) Certificate of Amendment of Restated Certificate of Incorporation of Verizon effective February 4, 2014

3b Bylaws of Verizon as amended, effective as of December 3, 2009 (filed as Exhibit 3b to Form 8-K dated December 7, 2009 and incorporated herein by reference)

4a Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp and U S Bank National Association as successor trustee to Wachovia Bank, National Association formerly known as First Union National Bank as Trustee dated as of December 1, 2000 (incorporated by reference to Verizon Global Funding Corp s Registration Statement on Form S-4 Registration No 333-64792 Exhibit 4 1)

4b First Supplemental Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp and U S Bank National Association as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank as Trustee, dated as of May 15, 2001 (incorporated by reference to Verizon Global Funding Corp s Registration Statement on Form S-3 Registration No 333-67412 Exhibit 4 2)

4c Second Supplemental Indenture between Verizon both individually and as successor in interest to Verizon Global Funding Corp and U S Bank National Association, as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee, dated as of September 29, 2004 (incorporated by reference to Form 8-K filed on February 9, 2006, Exhibit 4 1)

4d Third Supplemental Indenture between Verizon, both individually and as successor in interest to Verizon Global Funding Corp and U S Bank National Association, as successor trustee to Wachovia Bank, National Association, formerly known as First Union National Bank, as Trustee, dated as of September 29, 2004 (incorporated by reference to Form 8-K filed on February 9, 2006 Exhibit 4 2)

Except for Exhibits 4a – 4d above no other instrument which defines the rights of holders of long-term debt of Verizon and its consolidated subsidiaries is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A) Pursuant to this regulation Verizon hereby agrees to furnish a copy of any such instrument to the SEC upon request

10a GTE s Charitable Awards Program (filed as Exhibit 10-10 to GTE s Form 10-K for the year ended December 31, 1992 File No 1-2755 and incorporated herein by reference) **

10b NYNEX Directors' Charitable Award Program (filed as Exhibit 10a to Form 10-K for the year ended December 31, 2000 and incorporated herein by reference) **

10c 2009 Verizon Long-Term Incentive Plan As Amended and Restated (incorporated by reference to Appendix D of the Registrant s Proxy Statement included in Schedule 14A filed on March 18, 2013) **

10c(i) Performance Stock Unit Agreement 2011-2013 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference) **

10c(ii) Restricted Stock Unit Agreement 2011-2013 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2011 and incorporated herein by reference) **

10c(iii) Form of 2011 Special Performance Stock Unit Agreement (filed as Exhibit 10 to Form 10-Q for the period ended September 30, 2013 and incorporated by reference) **

10c(iv) Performance Stock Unit Agreement 2012-2014 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference) **

10c(v) Restricted Stock Unit Agreement 2012-2014 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2012 and incorporated herein by reference) **

10c(vi) Performance Stock Unit Agreement 2013-2015 Award Cycle (filed as Exhibit 10a to Form 10-Q for the period ended March 31 2013 and incorporated herein by reference) **

10c(vii) Restricted Stock Unit Agreement 2013-2015 Award Cycle (filed as Exhibit 10b to Form 10-Q for the period ended March 31, 2013 and incorporated herein by reference) **

10d Verizon Short-Term Incentive Plan, As Amended and Restated (incorporated by reference to Appendix C of the Registrant's Proxy Statement included in Schedule 14A filed on March 23, 2009) **

10e Verizon Income Deferral Plan (filed as Exhibit 10l to Form 10-Q for the period ended June 30, 2002 and incorporated herein by reference) **

10e(i) Description of Amendment to Plan (filed as Exhibit 10e(i) to Form 10-K for the year ended December 31 2004 and incorporated herein by reference) **

10f Verizon Excess Pension Plan (filed as Exhibit 10p to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **

10f(i) Description of Amendment to Plan (filed as Exhibit 10p(i) to Form 10-K for the year ended December 31, 2004 and incorporated herein by reference) **

10g GTE's Executive Salary Deferral Plan as amended (filed as Exhibit 10 10 to GTE's Form 10-K for the year ended December 31, 1995, File No 1-2755 and incorporated herein by reference) **

10h Bell Atlantic Senior Management Long-Term Disability and Survivor Protection Plan, as amended (filed as Exhibit 10h to Form SE filed on March 27, 1986 and Exhibit 10h(ii) to Form 10-K for the year ended December 31, 1997 and incorporated herein by reference) **

10i GTE Executive Retiree Life Insurance Plan (filed as Exhibit 10q to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10j Verizon Executive Life Insurance Plan, As Amended and Restated September 2009 (filed as Exhibit 10s to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10k Verizon Executive Deferral Plan (filed as Exhibit 10e to Form 10-Q for the period ended June 30, 2009 and incorporated herein by reference) **

10l Form of Aircraft Time Sharing Agreement (filed as Exhibit 10v to Form 10-K for the year ended December 31, 2010 and incorporated herein by reference) **

10m NYNEX Deferred Compensation Plan for Non-Employee Directors (filed as Exhibit 10gg to NYNEX's Registration Statement No 2-87850, File No 1-8608 and incorporated herein by reference) **

10n Amendment to NYNEX Deferred Compensation Plan for Non-Employee Directors (filed as Exhibit 10m 5a to NYNEX s Quarterly Report on Form 10-Q for the period ended June 30, 1996, File No 1-8608 and incorporated herein by reference).**

10o Verizon Senior Manager Severance Plan (filed as Exhibit 10d to Form 10-Q for the period ended March 31, 2010 and incorporated herein by reference) **

10p U S Wireless Agreement, dated September 21, 1999, among Bell Atlantic and Vodafone Airtouch plc, including the forms of Amended and Restated Partnership Agreement and the Investment Agreement (filed as Exhibit 10 to Form 10-Q for the period ended September 30, 1999 and incorporated herein by reference)

10q Term Loan Credit Agreement dated as of October 1 2013 among Verizon JPMorgan Chase Bank, N A as administrative agent, and the lenders party thereto (filed as Exhibit 10 1 to Form 8-K filed on October 3, 2013 and incorporated herein by reference)

12 Computation of Ratio of Earnings to Fixed Charges filed herewith

13 Portions of Verizon's Annual Report to Shareowners for the fiscal year ended December 31, 2013 filed herewith Only the information incorporated by reference into this Form 10-K is included in the exhibit

21 List of principal subsidiaries of Verizon filed herewith

23 Consent of Ernst & Young LLP filed herewith

31 1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith

31 2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith

32 1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith

32 2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith

99 Selected Corporate Governance and Executive Compensation Information included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014

101 INS XBRL Instance Document

101 SCH XBRL Taxonomy Extension Schema Document

101 PRE XBRL Taxonomy Presentation Linkbase Document

101 CAL XBRL Taxonomy Calculation Linkbase Document

101 LAB XBRL Taxonomy Label Linkbase Document

101 DEF XBRL Taxonomy Extension Definition Linkbase Document

** Indicates management contract or compensatory plan or arrangement

Schedule II - Valuation and Qualifying Accounts

Verizon Communications Inc. and Subsidiaries

For the Years Ended December 31, 2013, 2012 and 2011

(dollars in millions)

Description	Balance at Beginning of Period	Additions: Charged to Expenses	Additions: Charged to Other Accounts Note (a)(b)	Deductions Note (c)(d)	Balance at End of Period
Allowance for Uncollectible Accounts Receivable					
Year 2013	$ 641	$ 993	$ 162	$ 1,151	$ 645
Year 2012	802	972	113	1,246	641
Year 2011	876	1,026	139	1,239	802
Valuation Allowance for Deferred Tax Assets					
Year 2013	$ 2,041	$ 235	$ 30	$ 710	$ 1,596
Year 2012	2,376	120	38	493	2,041
Year 2011	3,421	108	25	1,178	2,376

(a) Allowance for Uncollectible Accounts Receivable primarily includes amounts previously written off which were credited directly to this account when recovered

(b) Valuation Allowance for Deferred Tax Assets includes current year increase to valuation allowance charged to equity and reclassifications from other balance sheet accounts

(c) Amounts written off as uncollectible or transferred to other accounts or utilized

(d) Reductions to valuation allowances related to deferred tax assets

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

VERIZON COMMUNICATIONS INC

By /s/ Anthony T. Skiadas — Date February 27, 2014
Anthony T. Skiadas
Senior Vice President and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated

Principal Executive Officer

/s/ Lowell C. McAdam — Chairman and Chief Executive Officer — February 27, 2014
Lowell C. McAdam

Principal Financial Officer

/s/ Francis J. Shammo — Executive Vice President and Chief Financial Officer — February 27, 2014
Francis J. Shammo

Principal Accounting Officer

/s/ Anthony T. Skiadas — Senior Vice President and Controller — February 27, 2014
Anthony T. Skiadas

/s/ Shellye L. Archambeau Shellye L. Archambeau	Director	February 27, 2014
/s/ Richard L. Carrion Richard L. Carrion	Director	February 27, 2014
/s/ Melanie L. Healey Melanie L. Healey	Director	February 27, 2014
/s/ M. Frances Keeth M. Frances Keeth	Director	February 27, 2014
/s/ Robert W. Lane Robert W. Lane	Director	February 27, 2014
/s/ Sandra O. Moose Sandra O. Moose	Director	February 27, 2014
/s/ Joseph Neubauer Joseph Neubauer	Director	February 27, 2014
/s/ Donald T. Nicolaisen Donald T. Nicolaisen	Director	February 27, 2014
/s/ Clarence Otis, Jr. Clarence Otis, Jr.	Director	February 27, 2014
/s/ Hugh B. Price Hugh B. Price	Director	February 27, 2014
/s/ Rodney E. Slater Rodney E. Slater	Director	February 27, 2014
/s/ Kathryn A. Tesija Kathryn A. Tesija	Director	February 27, 2014
/s/ Gregory D. Wasson Gregory D. Wasson	Director	February 27, 2014

EXHIBIT 3a(ii)

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
VERIZON COMMUNICATIONS INC

Verizon Communications Inc. (the "Corporation") a corporation organized on October 7, 1983, and existing under and by virtue of the General Corporation Law of the State of Delaware, HEREBY DOES CERTIFY

FIRST: That at a meeting of the Board of Directors of the Corporation held on September 2, 2013, resolutions were duly adopted approving a proposed amendment to the Restated Certificate of Incorporation (the "Certificate Amendment") of the Corporation and recommending that the proposed Certificate Amendment be approved by the stockholders of the Corporation. The Certificate Amendment is attached hereto as Exhibit A.

SECOND: That thereafter pursuant resolution of the Corporation's Board of Directors a special meeting of the stockholders was held on January 28, 2014 upon notice and in accordance with the provisions of Section 222 of the General Corporation Law of the State of Delaware, at which meeting a majority of the outstanding stock entitled to vote thereon was voted in favor of the Certificate Amendment as proposed by the Corporation's Board of Directors.

THIRD: That the Certificate Amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed by William L. Horton, Jr., its Senior Vice President, Deputy General Counsel and Corporate Secretary, this 3rd day of February, 2014.

VERIZON COMMUNICATIONS INC

By /s/ William L. Horton, Jr.
William L. Horton, Jr.
Senior Vice President, Deputy
General Counsel and Corporate Secretary

EXHIBIT A

CHARTER AMENDMENT

Article 4.A of the Restated Certificate of Incorporation is hereby amended and restated in its entirety to read in full as follows:

4 Capital Stock

A. Authorized Shares. The total number of shares of all classes of stock which the Corporation shall have the authority to issue is 6,500,000,000 shares, of which 6,250,000,000 shares are Common Stock, $.10 par value per share, and 250,000,000 shares are Series Preferred Stock, $.10 par value per share.

EXHIBIT 12

Computation of Ratio of Earnings to Fixed Charges
Verizon Communications Inc. and Subsidiaries

Years Ended December 31,	2013	2012	2011	2010	2009
				(dollars in millions)	
Earnings:					
Income before (provision) benefit for income taxes	$ 29,277	$ 9,897	$ 10,483	$ 12,684	$ 13,520
Equity in earnings of unconsolidated businesses	(142)	(324)	(444)	(508)	(553)
Dividends from unconsolidated businesses	40	401	480	510	942
Interest expense [1]	2,667	2,571	2,827	2,523	3,102
Portion of rent expense representing interest	851	837	817	837	839
Amortization of capitalized interest	177	162	148	139	134
Earnings, as adjusted	$ 32,870	$ 13,544	$ 14,311	$ 16,185	$ 17,984
Fixed Charges:					
Interest expense [1]	$ 2,667	$ 2,571	$ 2,827	$ 2,523	$ 3,102
Portion of rent expense representing interest	851	837	817	837	839
Capitalized interest	754	406	442	964	927
Fixed Charges	$ 4,272	$ 3,814	$ 4,086	$ 4,324	$ 4,868
Ratio of earnings to fixed charges	7.69	3.55	3.50	3.74	3.69

[1] We classify interest expense recognized on uncertain tax positions as income tax expense and therefore such interest expense is not included in the Ratio of Earnings to Fixed Charges.

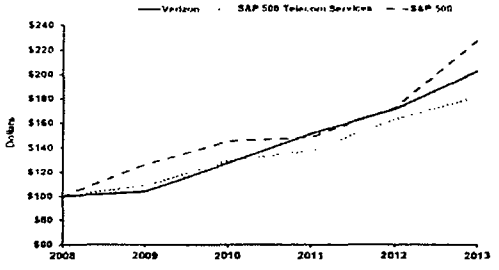
Exhibit 13

(dollars in millions, except per share amounts)

	2013	2012	2011	2010	2009
Results of Operations					
Operating revenues	$ 120,550	$ 115,846	$ 110,875	$ 106,565	$ 107,808
Operating income	31,968	13,160	12,880	14,645	15,978
Net income attributable to Verizon	11,497	875	2,404	2,549	4,894
Per common share – basic	4.01	.31	.85	.90	1.72
Per common share – diluted	4.00	.31	.85	.90	1.72
Cash dividends declared per common share	2.090	2.030	1.975	1.925	1.870
Net income attributable to noncontrolling interests	12,050	9,682	7,794	7,668	6,707
Financial Position					
Total assets	$ 274,098	$ 225,222	$ 230,461	$ 220,005	$ 226,907
Debt maturing within one year	3,933	4,369	4,849	7,542	7,205
Long-term debt	89,658	47,618	50,303	45,252	55,051
Employee benefit obligations	27,682	34,346	32,957	28,164	32,622
Noncontrolling interests	56,580	52,376	49,938	48,343	42,761
Equity attributable to Verizon	38,836	33,157	35,970	38,569	41,382

- Significant events affecting our historical earnings trends in 2011 through 2013 are described in "Other Items" in the Management's Discussion and Analysis of Financial Condition and Results of Operations" section
- 2010 and 2009 data includes severance, pension and benefit charges, merger integration and acquisition costs, dispositions and other items. 2010 data also includes Medicare Part D Subsidy charges

Comparison of Five-Year Total Return Among Verizon, S&P 500 Telecommunications Services Index and S&P 500 Stock Index



	At December 31,					
Data Points in Dollars	2008	2009	2010	2011	2012	2013
Verizon	100.0	103.8	127.9	151.3	171.2	202.8
S&P 500 Telecom Services	100.0	108.9	129.6	137.8	163.0	181.4
S&P 500	100.0	126.5	145.5	148.6	172.3	228.0

The graph compares the cumulative total returns of Verizon, the S&P 500 Telecommunications Services Index, and the S&P 500 Stock Index over a five-year period. It assumes $100 was invested on December 31, 2008 with dividends (including the value of each respective spin-off) being reinvested

Verizon Communications Inc. (Verizon or the Company) is a holding company that, acting through its subsidiaries is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. Our offerings, designed to meet customers' demand for speed, mobility, security and control, include voice, data and video services on our wireless and wireline networks. We have two reportable segments: Wireless and Wireline. Our wireless business, operating as Verizon Wireless, provides voice and data services and equipment sales across the United States using one of the most extensive and reliable wireless networks. Our wireline business provides consumer, business and government customers with communications products and services, including broadband data and video services, network access, voice, long distance and other communications products and services, and also owns and operates one of the most expansive end-to-end global Internet Protocol (IP) networks. We have a highly skilled, diverse and dedicated workforce of approximately 176,800 employees as of December 31, 2013.

In recent years, Verizon has embarked upon a strategic transformation as advances in technology have changed the ways that our customers interact in their personal and professional lives and that businesses operate. To meet the changing needs of our customers and address the changing technological landscape, we are focusing our efforts around higher margin and growing areas of our business: wireless data, wireline data and Strategic services, including cloud computing services.

Our strategy requires significant capital investments primarily to acquire wireless spectrum, put the spectrum into service, invest in the fiber optic network that supports our wireless and wireline businesses, maintain our wireless and wireline networks and develop and maintain significant advanced database capacity.

In our Wireless business, in 2013 compared to 2012, revenue growth of 6.8% was driven by connection growth and the demand for smartphones, tablets and other Internet devices. During 2013, we experienced a 4.6% increase in retail postpaid connections compared to 2012, with smartphones representing 70% of our retail postpaid phone base at December 31, 2013 compared to 58% at December 31, 2012. Also during 2013, postpaid smartphone activations represented 86% of phones activated compared to 72% in 2012.

We have substantially completed the deployment of our fourth-generation (4G) Long-Term Evolution (LTE) network. Our 4G LTE network is available to 97% of the U.S. population in more than 500 markets covering approximately 305 million people, including those in areas served by our LTE in Rural America partners. Our 4G LTE network provides higher data throughput performance for data services at lower cost compared to those provided via third generation (3G) networks. In December 2013, 69% of our total data traffic was carried on our 4G LTE network.

On February 13, 2014, we introduced our More Everything℠ plans which replaced our Share Everything℠ plans and provide more value to our customers. These plans, which are available to both new and existing postpaid customers, feature domestic unlimited voice minutes, unlimited domestic and international text, video and picture messaging, cloud storage and a single data allowance that can be shared among up to 10 devices connected to the Verizon Wireless network. Customers with Verizon Edge, which provides a device payment plan option, also will receive discounted monthly access fees on More Everything plans. As of December 31, 2013, Share Everything accounts represented approximately 46% of our retail postpaid accounts compared to approximately 28% as of December 31, 2012. Verizon Wireless offers shared data plans for business, with the More Everything plans for Small Business and the Nationwide Business Data Packages and Plans. In August 2013, we launched the new Verizon Edge device payment plan option which now allows customers to trade in their phone for a new phone after a minimum of thirty days, subject to certain conditions.

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion. On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone American Finance 1, Inc., a subsidiary of Seller (VFI Inc.), which indirectly through certain subsidiaries (together with VFI Inc., the Purchased Entities) owned the Vodafone Interest. The consideration paid was primarily comprised of cash of approximately $58.99 billion and Verizon common stock with a value of approximately $60.15 billion. See "Acquisitions and Divestitures" for additional information.

In Wireline, during 2013 compared to 2012, revenues were positively impacted by higher revenues in Consumer retail driven by FiOS services. FiOS represented approximately 71% of Consumer retail revenue during 2013 compared to approximately 65% during 2012. As the penetration of FiOS products increases, we continue to seek ways to increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are developed for this high-speed service, we expect that FiOS will become a hub for managing multiple home services that will eventually be part of the digital grid, including not just entertainment and communications, but also machine-to-machine communications, such as home monitoring, health monitoring, energy management and utilities management.

Also positively impacting Wireline's revenues during 2013 was a 4.6% increase in Strategic services revenues, which represented 57% of total Global Enterprise revenues during 2013. However, total Global Enterprise and Global Wholesale revenues declined due to declines in Core customer premise equipment revenues and traditional voice revenues. The decline in Core customer premise equipment revenues is a result of our focus on improving our margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. To compensate for the shrinking market for traditional voice service, we continue to build our Wireline segment around data, video and advanced business services—areas where demand for reliable high-speed connections is growing.

We are investing in innovative technology like wireless networks, high-speed fiber and cloud services to position ourselves at the center of the growth trends of the future. In addition to the Wireless Transaction, since the beginning of 2012 these investments have included acquisitions of wireless licenses of $4.9 billion. We also have invested $1.4 billion in acquisitions of investments and businesses, which we expect will permit us to offer enhanced machine-to-machine, video and cloud-based products and services.

By investing in our own capabilities, we are also investing in the markets we serve by providing our communities with an efficient, reliable infrastructure for competing in the information economy. We are committed to putting our customers first and being a responsible member of our communities. Guided by this commitment and by our core values of integrity, respect, performance excellence and accountability, we believe we are well-positioned to produce a long-term return for our shareowners, create meaningful work for ourselves and provide something of lasting value for society.

In the sections that follow, we provide information about the important aspects of our operations and investments, both at the consolidated and segment levels, and discuss our results of operations, financial position and sources and uses of cash. In addition, we highlight key trends and uncertainties to the extent practicable.

Trends

We expect that competition will continue to intensify with traditional, non-traditional and emerging service providers seeking increased market share. We believe that our networks differentiate us from our competitors, enabling us to provide enhanced communications experiences to our customers. We believe our focus on the fundamentals of running a good business, including operating excellence and financial discipline, gives us the ability to plan and manage through changing economic conditions. We will continue to invest for growth, which we believe is the key to creating value for our shareowners.

Connection and Operating Trends

In our Wireless segment, we expect to continue to attract and maintain the loyalty of high-quality retail postpaid customers, capitalizing on demand for data services and bringing our customers new ways of using wireless services in their daily lives. We expect that future connection growth will continue as we introduce new smartphones, Internet devices such as tablets and our suite of 4G LTE devices. We believe these devices will attract and retain higher value retail postpaid connections, contribute to continued increases in the penetration of data services and keep our device line-up competitive versus other wireless carriers. We expect future growth opportunities will be dependent on expanding the penetration of our network services, offering innovative wireless devices for both consumer and business customers and increasing the number of ways that our customers can connect with our network and services.

Service and equipment pricing play an important role in the wireless competitive landscape. As the demand for wireless services continues to grow, wireless service providers are offering service plans that include unlimited voice minutes and text messages and a specific amount of data access in varying megabyte or gigabyte sizes or, in some cases, unlimited data usage. Wireless service providers are also offering price plans that decouple service pricing from equipment pricing and blur the traditional boundary between prepaid and postpaid plans. In addition, some wireless providers are offering a credit to new customers to reimburse early termination fees paid to their former wireless service provider, subject to certain limitations. We seek to compete in this area by offering our customers services and equipment that they will regard as the best available value for the price, as well as service plans that meet their wireless service needs.

In our Wireline segment, we have experienced continuing access line losses as customers have disconnected both primary and secondary lines and switched to alternative technologies such as wireless, voice over Internet protocol (VoIP) and cable for voice and data services. We expect to continue to experience access line losses as customers continue to switch to alternate technologies.

Despite this challenging environment, we expect that we will continue to grow key aspects of our Wireline segment by providing network reliability, offering innovative product bundles that include broadband Internet access, digital television and local and long distance voice services, offering more robust IP products and services and accelerating our cloud computing and machine-to-machine strategies. We will also continue to focus on cost efficiencies to attempt to offset adverse impacts from unfavorable economic conditions and competitive pressures.

Operating Revenues

We expect to experience service revenue growth in our Wireless segment in 2014, primarily as a result of continued growth in postpaid connections driven by increased sales of smartphones, tablets and other Internet devices. We expect that retail postpaid average revenue per account (ARPA) will continue to increase as connections migrate from basic phones to smartphones and from our 3G network to our 4G LTE network, and as the average number of connections per account increases, which we expect to be driven by our More Everything plans that allow for the sharing of data among up to 10 devices. We expect that our future service revenue growth will be substantially derived from an increase in the usage of innovative wireless smartphones, tablets and other Internet devices in addition to our pricing structure that will encourage customers to continue adding data-enabled devices onto existing accounts. We expect that continued emphasis on increasing smartphone penetration, including continuing to migrate customers from basic phones to smartphones and from 3G devices to 4G LTE devices, will positively impact our revenue.

We expect FiOS broadband and video penetration to positively impact our Mass Markets revenue and subscriber base. We also expect Strategic services revenues to continue to grow as we derive additional enterprise revenues from cloud, security and other solutions-based services and customers continue to migrate their services to Private IP and other strategic networking services, although we have experienced decelerating revenue growth within our Strategic services business. We believe the trend in these growth areas as well as our offerings in telematics and video streaming will help offset the continuing decline in revenues in our Wireline segment related to retail voice connection losses as a result of wireless substitution as well as the continued decline in our legacy wholesale and enterprise markets.

Operating Costs and Expenses

We anticipate our overall wireless operating costs will increase as a result of the expected increase in the volume of smartphone sales, which will result in higher equipment and sales commission costs. In addition, we expect content costs for our FiOS video services to continue to increase. However, we expect to achieve certain cost efficiencies in 2014 and beyond as data traffic continues to migrate to our lower-cost 4G LTE network and as we continue to streamline our business processes with a focus on improving productivity and increasing profitability.

Capital Expenditures

Our 2014 capital program includes capital to fund advanced networks and services including 4G LTE and FiOS, the continued expansion of our core networks, including our IP and data center enhancements, maintenance and support for our legacy voice networks and other expenditures to drive operating efficiencies. The level and the timing of the Company's capital expenditures within these broad categories can vary significantly as a result of a variety of factors outside our control, including, for example, material weather events. We are replacing copper wire with fiber optic cable which will not alter our capital program, but should result in lower maintenance costs in the future. Capital expenditures were $16.6 billion in 2013 and $16.2 billion in 2012, respectively. We believe that we have significant discretion over the amount and timing of our capital expenditures on a Company-wide basis as we are not subject to any agreement that would require significant capital expenditures on a designated schedule or upon the occurrence of designated events. We expect capital expenditures in 2014 to be in the range of approximately $16.5 billion to $17.0 billion and we also expect our capital expenditures as a percentage of revenue to decline in 2014 from 2013 levels.

Cash Flow from Operations

We create value for our shareowners by investing the cash flows generated by our business in opportunities and transactions that support continued profitable growth, thereby increasing customer satisfaction and usage of our products and services. In addition, we have used our cash flows to maintain and grow our dividend payout to shareowners. Verizon's Board of Directors increased the Company's quarterly dividend by 2.9% during 2013, making this the seventh consecutive year in which we have raised our dividend. After the closing of the Wireless Transaction, our Provision for income taxes is expected to increase due to our 100% ownership of Verizon Wireless and to a much lesser degree due to bonus depreciation not being extended beyond December 31, 2013. Additionally, our interest expense is expected to increase as a result of the debt issued to finance the Wireless Transaction. As a result of these factors, we expect Cash Flows from Operations to be negatively impacted in 2014. Partially offsetting these negative impacts to Cash Flows from Operations will be the discontinuation of cash distributions from Verizon Wireless to Vodafone, which have historically reduced our Cash Flows from Financing Activities.

Our goal is to use our cash to create long-term value for our shareholders. We will continue to look for investment opportunities that will help us to grow the business. We expect to use our cash to reduce our debt levels, pay dividends to our shareholders and when appropriate, buy back shares of our outstanding common stock (see Cash Flows from Financing Activities). and invest in spectrum licenses (see Cash Flows from Investing Activities). During 2013, we purchased 3.50 million shares under our share buyback authorization. There were no repurchases of common stock during 2012 or 2011.

In this section, we discuss our overall results of operations and highlight items of a non-operational nature that are not included in our segment results. We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. In "Segment Results of Operations," we review the performance of our two reportable segments.

Corporate, eliminations and other includes unallocated corporate expenses such as certain pension and other employee benefit related costs, intersegment eliminations recorded in consolidation, the results of other businesses such as our investments in unconsolidated businesses, lease financing and other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in segment results as these items are included in the chief operating decision maker's assessment of segment performance. We believe that this presentation assists users of our financial statements in better understanding our results of operations and trends from period to period.

Consolidated Revenues

(dollars in millions)

Years Ended December 31,	2013	2012	2011	Increase/(Decrease) 2013 vs 2012		Increase/(Decrease) 2012 vs 2011	
Wireless							
Service revenue	$ 69,033	$ 63,733	$ 59,157	$ 5,300	8.3%	$ 4,576	7.7%
Equipment and other	11,990	12,135	10,997	(145)	(1.2)	1,138	10.3
Total	81,023	75,868	70,154	5,155	6.8	5,714	8.1
Wireline							
Mass Markets	17,328	16,702	16,337	626	3.7	365	2.2
Global Enterprise	14,703	15,299	15,622	(596)	(3.9)	(323)	(2.1)
Global Wholesale	6,714	7,240	7,973	(526)	(7.3)	(733)	(9.2)
Other	478	539	750	(61)	(11.3)	(211)	(28.1)
Total	39,223	39,780	40,682	(557)	(1.4)	(902)	(2.2)
Corporate, eliminations and other	304	198	39	106	53.5	159	nm
Consolidated Revenues	$ 120,550	$ 115,846	$ 110,875	$ 4,704	4.1	$ 4,971	4.5

nm – not meaningful

2013 Compared to 2012

The increase in consolidated revenues during 2013 compared to 2012 was primarily due to higher revenues at Wireless as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise at our Wireline segment. Partially offsetting these increases were lower Global Enterprise Core and Global Wholesale revenues at our Wireline segment.

Wireless revenues increased $5.2 billion or 6.8% during 2013 compared to 2012 due to growth in service revenue. Service revenue increased during 2013 compared to 2012 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of smartphones, tablets and other Internet devices through our Share Everything plans. Retail postpaid connection net additions decreased during 2013 compared to 2012 primarily due to an increase in our retail postpaid connection churn rate, partially offset by an increase in retail postpaid connection gross additions. Retail postpaid connections per account increased as of December 31, 2013 compared to December 31, 2012 primarily due to the increased penetration of tablets and other Internet devices.

Wireline's revenues decreased $0.6 billion, or 1.4%, during 2013 compared to 2012 primarily driven by declines in Global Enterprise Core and Global Wholesale, partially offset by higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise.

Mass Markets revenues increased $0.6 billion, or 3.7%, during 2013 compared to 2012 due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased $0.6 billion, or 3.9%, during 2013 compared to 2012 primarily due to a decline in Core customer premise equipment revenues and lower voice services and data networking revenues. This decrease was partially offset by growth in Strategic services revenues, primarily due to an increase in advanced services, such as contact center solutions, IP communications, and our cloud and data center offerings as well as revenue from a telematics services business that we acquired in the third quarter of 2012.

Global Wholesale revenues decreased $0.5 billion, or 7.3%, during 2013 compared to 2012 primarily due to a decline in traditional voice revenues as a result of decreased minutes of use (MOUs) and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers.

Other revenues decreased during 2013 compared to 2012 primarily due to reduced volumes outside of our network footprint.

2012 Compared to 2011

The increase in consolidated revenues during 2012 compared to 2011 was primarily due to higher revenues at Wireless, as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise at our Wireline segment. Partially offsetting these increases were lower Global Wholesale and Global Enterprise Core revenues at our Wireline segment.

Wireless revenues increased during 2012 compared to 2011 due to growth in both service and equipment and other revenue. Service revenue increased during 2012 compared to 2011 primarily driven by higher retail postpaid service revenue, which increased largely as a result of an increase in retail postpaid connections of 5.1 million in 2012, as well as the continued increase in penetration of smartphones. Retail postpaid connections per account increased during 2012 compared to 2011 primarily due to the increased use of tablets and other Internet devices. In 2012, the increase in retail postpaid connection net additions was primarily due to an increase in retail postpaid and prepaid connection gross additions and improvements in our retail connections churn rate. Higher retail postpaid connection gross additions during 2012 primarily reflect the launch of our Share Everything plans coupled with new device introductions during the second half of 2012.

Equipment and other revenue increased during 2012 compared to 2011 primarily due to an increase in device upgrade fees, regulatory fees and equipment sales.

Wireline's revenues decreased during 2012 compared to 2011 primarily driven by declines in Global Wholesale, Global Enterprise Core and Other revenues, partially offset by higher revenues in Mass Markets driven by FiOS services and higher revenues from Strategic services.

Mass Markets revenues increased during 2012 compared to 2011 due to the expansion of FiOS services as well as changes in our pricing strategy adopted in 2012, partially offset by the continued decline of local exchange revenues.

Global Enterprise revenues decreased during 2012 compared to 2011 primarily due to lower local services and traditional circuit-based revenues, a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation. This decrease was partially offset by higher Strategic services revenues, primarily due to growth in advanced services, such as managed network solutions, contact center solutions, IP communications and our cloud and data center offerings.

Global Wholesale revenues decreased during 2012 compared to 2011 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers.

Other revenues decreased during 2012 compared to 2011 primarily due to reduced volumes outside of our network footprint.

Consolidated Operating Expenses

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs. 2012		2012 vs. 2011	
Cost of services and sales	$ 44,887	$ 46,275	$ 45,875	$ (1,388)	(3.0)%	$ 400	0.9%
Selling, general and administrative expense	27,089	39,951	35,624	(12,862)	(32.2)	4,327	12.1
Depreciation and amortization expense	16,606	16,460	16,496	146	0.9	(36)	(0.2)
Consolidated Operating Expenses	$ 88,582	$102,686	$ 97,995	$ (14,104)	(13.7)	$ 4,691	4.8

Consolidated operating expenses decreased during 2013 primarily due to non-operational credits recorded in 2013 as well as non-operational charges recorded in 2012 (see "Other Items"). Consolidated operating expenses increased during 2012 primarily due to higher non-operational charges (see "Other Items") as well as increased operating expenses at Wireless.

2013 Compared to 2012

Cost of Services and Sales

Cost of services and sales includes the following costs directly attributable to a service or product: salaries and wages, benefits, materials and supplies, content costs, contracted services, network access and transport costs, wireless equipment costs, customer provisioning costs, computer systems support costs to support our outsourcing contracts and technical facilities and contributions to the Universal Service Fund. Aggregate customer care costs, which include billing and service provisioning, are allocated between Cost of services and sales and Selling, general and administrative expense.

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in cost of equipment sales, decreased data roaming, a decline in cost of data services and a decrease in network connection costs at our Wireless segment, as well as a decrease in costs related to customer premise equipment, a decline in access costs and the net effect of storm-related insurance recoveries at our Wireline segment. Partially offsetting these decreases were higher content costs associated with continued FiOS subscriber growth and vendor rate increases at our Wireline segment, as well as increases in cost of network services at our Wireless segment.

Selling, General and Administrative Expense

Selling, general and administrative expense includes salaries and wages and benefits not directly attributable to a service or product, bad debt charges, taxes other than income taxes, advertising and sales commission costs, customer billing, call center and information technology costs, regulatory fees, professional service fees, rent and utilities for administrative space. Also included are a portion of the aggregate customer care costs as discussed in "Cost of Services and Sales" above.

Selling, general and administrative expense decreased during 2013 compared to 2012 primarily due to the non-operational credits recorded in 2013 and declines in employee costs at our Wireline segment, as well as the non-operational charges recorded in 2012 (see "Other Items"). This decrease was partially offset by higher sales commission expense at our Wireless segment.

Depreciation and Amortization Expense

Depreciation and amortization expense increased during 2013 compared to 2012 primarily due to an increase in net depreciable assets at our Wireless segment and an increase in amortization expense at our Wireline segment. These increases were partially offset by a decline in net depreciable assets at our Wireline segment.

2012 Compared to 2011

Cost of Services and Sales

Cost of services and sales increased during 2012 compared to 2011 primarily due to higher cost of equipment sales, increased cost of network services and increased data roaming, partially offset by a decrease in cost for data services, a decrease in network connection costs and a decrease in the cost of long distance at our Wireless segment. Also contributing to the increase were higher content costs associated with continued FiOS subscriber growth and vendor rate increases, increased expenses related to our cloud and data center offering, higher costs related to FiOS installation as well as higher repair and maintenance expenses caused by storm-related events in 2012, partially offset by declines in access costs and customer premise equipment costs at our Wireline segment.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during 2012 compared to 2011 primarily due to higher non-operational charges (see "Other Items") as well as higher sales commission expense and costs associated with regulatory fees at our Wireless segment.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased during 2012 compared to 2011 primarily due to a decrease in depreciable assets at our Wireline segment, partially offset by an increase in amortization expense related to non-network software.

Non-operational (Credits) Charges

Non-operational (credits) charges included in operating expenses (see "Other Items") were as follows:

Years Ended December 31,	2013	2012	2011
			(dollars in millions)
Gain on Spectrum License Transaction			
Selling, general and administrative expense	$ (278)	$ –	$ –
Severance, Pension and Benefit (Credits) Charges			
Selling, general and administrative expense	(6,232)	7,186	5,954
Litigation Settlements			
Selling, general and administrative expense	–	384	–
Other Costs			
Cost of services and sales	–	40	–
Selling, general and administrative expense	–	236	–
	–	276	–
Total non-operating (credits) charges included in operating expenses	$ (6,510)	$ 7,846	$ 5,954

See "Other Items" for a description of other non-operational items.

Consolidated Operating Income and EBITDA

Consolidated earnings before interest, taxes, depreciation and amortization expenses (Consolidated EBITDA) and Consolidated Adjusted EBITDA which are presented below, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in earnings of unconsolidated businesses and other income and (expense), net to net income.

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items from the calculation of Consolidated EBITDA. Management believes that this measure provides additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. See "Other Items" for additional details regarding these non-operational items.

Operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions. The adjustment has been recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

			(dollars in millions)
Years Ended December 31,	2013	2012	2011
Consolidated Operating Income	$ 31,968	$ 13,160	$ 12,880
Add Depreciation and amortization expense	16,606	16,460	16,496
Consolidated EBITDA	48,574	29,620	29,376
Add (Less) Non-operating (credits) charges included in operating expenses	(6,510)	7,846	5,954
Consolidated Adjusted EBITDA	$ 42,064	$ 37,466	$ 35,330

The changes in Consolidated Operating Income, Consolidated EBITDA and Consolidated Adjusted EBITDA in the table above were primarily a result of the factors described in connection with operating revenues and operating expenses.

Other Consolidated Results

Equity in Earnings of Unconsolidated Businesses

Equity in earnings of unconsolidated businesses decreased $182 million, or 56.2% in 2013 compared to 2012 primarily due to lower earnings from operations at Vodafone Omnitel N.V. (Vodafone Omnitel). The decrease during 2013 was partially offset by an immaterial gain recorded by Verizon Wireless upon obtaining control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated.

Equity in earnings of unconsolidated businesses decreased $120 million, or 27.0% in 2012 compared to 2011 primarily due to lower earnings from operations at Vodafone Omnitel and, to a lesser extent, the devaluation of the Euro against the U.S. dollar.

As part of the consideration of the Wireless Transaction, a subsidiary of Verizon sold its entire ownership interest in Vodafone Omnitel to a subsidiary of Vodafone on February 21, 2014.

Other Income and (Expense), Net

Additional information relating to Other income and (expense), net is as follows:

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Interest income	$ 64	$ 57	$ 68	$ 7	12.3%	$ (11)	(16.2)%
Other, net	(230)	(1,073)	(82)	843	(78.6)	(991)	nm
Total	$ (166)	$ (1,016)	$ (14)	$ 850	(83.7)	$ (1,002)	nm

nm – not meaningful

Other income and (expense), net decreased during 2013 compared to 2012 primarily due to fees of $1.1 billion incurred in 2012 related to the early redemption of debt, partially offset by $0.2 billion of fees incurred during the fourth quarter of 2013 as a result of the termination of a bridge credit agreement upon the effectiveness of a term loan agreement (see "Other Items").

Other income and (expense), net increased during 2012 compared to 2011 primarily driven by higher fees of $1.1 billion related to the early redemption of debt (see "Other Items").

Interest Expense

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Total interest costs on debt balances	$ 3,421	$ 2,977	$ 3,269	$ 444	14.9%	$ (292)	(8.9)%
Less: Capitalized interest costs	754	406	442	348	85.7	(36)	(8.1)
Total	$ 2,667	$ 2,571	$ 2,827	$ 96	3.7	$ (256)	(9.1)
Average debt outstanding	$65,959	$52,949	$55,629				
Effective interest rate	5.2%	5.6%	5.9%				

Total interest costs on debt balances increased during 2013 compared to 2012 primarily due to the issuance of $49.0 billion of fixed and floating rate notes to finance the Wireless Transaction (see "Acquisitions and Divestitures") resulting in an increase in average debt as well as an incremental increase in interest expense of $0.7 billion, partially offset by a lower effective interest rate (see "Consolidated Financial Condition"). Capitalized interest costs were higher in 2013 primarily due to increases in wireless licenses that are currently under development.

Total interest costs on debt balances decreased during 2012 compared to 2011 primarily due to a $2.7 billion decrease in average debt (see "Consolidated Financial Condition") and a lower effective interest rate. Capitalized interest costs were lower in 2012 primarily due to our ongoing deployment of the 4G LTE network.

Provision (Benefit) for Income Taxes

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Provision (Benefit) for income taxes	$ 5,730	$ (660)	$ 285	$ 6,390	nm	$ (945)	nm
Effective income tax rate	19.6%	(6.7)%	2.7%				

nm – not meaningful

The effective income tax rate is calculated by dividing the provision for income taxes by income before the provision for income taxes. Our effective income tax rate is significantly lower than the statutory federal income tax rate for all years presented due to the inclusion of income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership within our income before the provision for income taxes. In 2013 and 2011, we recorded a tax provision on income before the provision for income taxes and when we included the income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership in our income before the provision for income taxes it resulted in our effective income tax rate being 13.7 percentage points lower during 2013 and 7.9 percentage points lower during 2011. In 2012, we recorded a tax benefit on income before the provision for income taxes, which resulted in a negative effective income tax rate. In this circumstance, including the income attributable to Vodafone's noncontrolling interest in the Verizon Wireless partnership in our income before the provision for income taxes resulted in our negative effective tax rate being 300.3 percentage points higher during 2012.

Verizon completed the acquisition of Vodafone's 45% indirect ownership interest in Verizon Wireless on February 21, 2014. Our provision for income taxes and effective income tax rate subsequent to the closing will reflect the change in Verizon's ownership interest in Verizon Wireless. Our provision for income taxes and effective income tax rate will increase subsequent to the closing due to the inclusion of the provision for income taxes previously attributable to Vodafone's ownership interest.

The effective income tax rate for 2013 was 19.6% compared to (6.7)% for 2012. The increase in the effective income tax rate and provision for income taxes was primarily due to higher income before income taxes as a result of severance, pension and benefit credits recorded during 2013 compared to lower income before income taxes as a result of severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

The effective income tax rate for 2012 was (6.7)% compared to 2.7% for 2011. The negative effective income tax rate for 2012 and the decrease in the provision for income taxes during 2012 compared to 2011 was primarily due to lower income before income taxes as a result of higher severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

A reconciliation of the statutory federal income tax rate to the effective income tax rate for each period is included in Note 12 to the consolidated financial statements.

Net Income Attributable to Noncontrolling Interests

						(dollars in millions) Increase/(Decrease)	
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Net income attributable to noncontrolling interests	$ 12,050	$ 9,682	$ 7,794	$ 2,368	24.5%	$ 1,888	24.2%

The increases in Net income attributable to noncontrolling interests during 2013 compared to 2012 and 2012 compared to 2011 were due to higher earnings in our Verizon Wireless segment, which had a 45% noncontrolling partnership interest attributable to Vodafone as of December 31, 2013.

We expect Net income attributable to noncontrolling interests to decline substantially in 2014 as a result of the Wireless Transaction (see "Acquisitions and Divestitures"). The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnerships.

We have two reportable segments, Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income. The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance.

Segment earnings before interest, taxes, depreciation and amortization (Segment EBITDA), which is presented below, is a non-GAAP measure and does not purport to be an alternative to operating income as a measure of operating performance. Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income.

Wireless Segment EBITDA service margin, also presented below, is calculated by dividing Wireless Segment EBITDA by Wireless service revenues. Wireless Segment EBITDA service margin utilizes service revenues rather than total revenues. Service revenues primarily exclude equipment revenues in order to reflect the impact of providing service to the wireless customer base on an ongoing basis. Wireline EBITDA margin is calculated by dividing Wireline EBITDA by total Wireline revenues. You can find additional information about our segments in Note 13 to the consolidated financial statements.

Wireless

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless. Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. Verizon Wireless provides wireless communications services across one of the most extensive wireless networks in the United States. As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, the Wireless Transaction was completed, and Verizon acquired 100% ownership of Verizon Wireless.

We provide these services and equipment sales to consumer, business and government customers in the United States on a postpaid and prepaid basis. Postpaid connections represent individual lines of service for which a customer is billed in advance a monthly access charge in return for a monthly network service allowance, and usage beyond the allowance is billed monthly in arrears. Our prepaid service enables individuals to obtain wireless services without a long-term contract or credit verification by paying for all services in advance.

All financial results included in the tables below reflect the consolidated results of Verizon Wireless.

Operating Revenues and Selected Operating Statistics

(dollars in millions, except ARPA)

Years Ended December 31,	2013	2012	2011	Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Retail service	$ 66,334	$ 61,440	$ 56,660	$ 4,894	8.0%	$ 4,780	8.4%
Other service	2,699	2,293	2,497	406	17.7	(204)	(8.2)
Service revenue	69,033	63,733	59,157	5,300	8.3	4,576	7.7
Equipment and other	11,990	12,135	10,997	(145)	(1.2)	1,138	10.3
Total Operating Revenues	$ 81,023	$ 75,868	$ 70,154	$ 5,155	6.8	$ 5,714	8.1
Connections ('000) [1]							
Retail connections	102,799	98,230	92,167	4,569	4.7	6,063	6.6
Retail postpaid connections	96,752	92,530	87,382	4,222	4.6	5,148	5.9
Net additions in period ('000) [2]							
Retail connections	4,472	5,917	4,624	(1,445)	(24.4)	1,293	28.0
Retail postpaid connections	4,118	5,024	4,252	(906)	(18.0)	772	18.2
Churn Rate							
Retail connections	1.27%	1.19%	1.26%				
Retail postpaid connections	0.97%	0.91%	0.95%				
Account Statistics							
Retail postpaid ARPA	$ 153.93	$ 144.04	$ 134.51	$ 9.89	6.9	$ 9.53	7.1
Retail postpaid accounts ('000) [1]	35,083	35,057	34,561	26	0.1	496	1.4
Retail postpaid connections per account [1]	2.76	2.64	2.53	0.12	4.5	0.11	4.3

[1] As of end of period

[2] Excluding acquisitions and adjustments

2013 Compared to 2012

The increase in Wireless' total operating revenues of $5.2 billion, or 6.8%, during 2013 compared to 2012 was primarily the result of growth in service revenue.

Retail postpaid connection net additions decreased during 2013 compared to 2012 primarily due to an increase in our retail postpaid connection churn rate, partially offset by an increase in retail postpaid connection gross additions.

Retail Postpaid Connections per Account

Retail postpaid connections per account is calculated by dividing the total number of retail postpaid connections by the number of retail postpaid accounts as of the end of the period. Retail postpaid connections per account increased 4.5% as of December 31, 2013 compared to December 31, 2012 primarily due to the increased penetration of tablets and other Internet devices.

Service Revenue

Service revenue increased $5.3 billion, or 8.3%, during 2013 compared to 2012 primarily driven by higher retail postpaid service revenue which increased largely as a result of an increase in retail postpaid connections as well as the continued increase in penetration of smartphones, tablets and other Internet devices though our Share Everything plans. The penetration of smartphones was driven by the activation of smartphones by new customers as well as existing customers migrating from basic phones to smartphones.

The increase in retail postpaid ARPA (the average revenue per account from retail postpaid accounts) during 2013 compared to 2012 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. As of December 31, 2013, we experienced a 4.5% increase in retail postpaid connections per account compared to 2012, with smartphones representing 70% of our retail postpaid phone base as of December 31, 2013 compared to 58% as of December 31, 2012. The increased penetration in retail postpaid connections per account is primarily due to increases in Internet data devices which represented 10.7% of our retail postpaid connection base as of December 31, 2013 compared to 9.3% as of December 31, 2012, primarily due to activations of tablets and other Internet devices. Additionally, during 2013, postpaid smartphone activations represented 86% of phones activated compared to 77% during 2012.

Other service revenue increased during 2013 compared to 2012 due to growth in wholesale connections, partially offset by a decrease in revenue related to third party roaming.

Equipment and Other Revenue

Equipment and other revenue decreased during 2013 compared to 2012 as a decline in regulatory fees was partially offset by an increase in revenue related to upgrade fees.

2012 Compared to 2011

The increase in Wireless' total operating revenues during 2012 compared to 2011 was the result of growth in both service and equipment and other revenue.

Accounts and Connections

Retail connection net additions increased during 2012 compared to 2011 primarily due to an increase in retail postpaid and prepaid connection gross additions and improvements in our retail connections churn rate. Higher retail postpaid connection gross additions during 2012 primarily reflected the launch of our Share Everything plans coupled with new device introductions during the second half of 2012.

Retail Postpaid Connections per Account

Retail postpaid connections per account increased during 2012 compared to 2011 primarily due to the increased use of tablets and other Internet devices.

Service Revenue

Service revenue increased during 2012 compared to 2011 primarily driven by higher retail postpaid service revenue which increased largely as a result of an increase in retail postpaid connections of 5.7 million in 2012 as well as the continued increase in penetration of smartphones. This increased penetration also contributed to the increase in our retail postpaid ARPA.

Accounts and Connections

Retail (non-wholesale) postpaid accounts represent retail customers under contract with Verizon Wireless that are directly served and managed by Verizon Wireless and use its branded services. Accounts include Share Everything plans and corporate accounts, as well as legacy single connection plans and family plans. A single account may receive monthly wireless services for a variety of connected devices. Retail connections represent our retail customer device connections. Churn is the rate at which service to connections is terminated.

Retail connections under an account may include smartphones, basic phones, tablets and other Internet devices, as well as Home Phone Connect and Home Fusion. We expect to continue to experience retail connection growth based on the strength of our product offerings and network service quality.

The increase in retail postpaid ARPA during 2012 compared to 2011 was primarily driven by increases in smartphone penetration and retail postpaid connections per account. During 2012, we experienced a 4.3% increase in retail postpaid connections per account compared to 2011, with smartphones representing 58% of our retail postpaid phone base as of December 31, 2012 compared to 43.5% as of December 31, 2011. The increase in retail postpaid connections per account was primarily due to increases in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to 8.1% as of December 31, 2011 primarily due to strong sales of tablets and Jetpacks™.

Other service revenue decreased during 2012 compared to 2011 primarily as a result of a decrease in third party roaming revenue.

Equipment and Other Revenue

Equipment and other revenue increased during 2012 compared to 2011 primarily due to increases in device upgrade fees, regulatory fees and equipment sales.

Operating Expenses

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Cost of services and sales	$ 23,648	$ 24,490	$ 24,086	$ (842)	(3.4)%	$ 404	1.7%
Selling, general and administrative expense	23,176	21,650	19,579	1,526	7.0	2,071	10.6
Depreciation and amortization expense	8,202	7,960	7,962	242	3.0	(2)	–
Total Operating Expenses	$ 55,026	$ 54,100	$ 51,627	$ 926	1.7	$ 2,473	4.8

Cost of Services and Sales

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in cost of equipment sales of $0.4 billion which was partially due to a decline in postpaid upgrades, decreased data roaming, a decline in cost of data services and a decrease in network connection costs due to the deployment of Ethernet backhaul facilities primarily targeted at sites upgrading to 4G LTE, partially offset by an increase in cost of network services.

Cost of services and sales increased during 2012 compared to 2011 primarily due to $0.7 billion in higher cost of equipment sales which was driven by increased sales of higher cost smartphones, increased cost of network services and increased data roaming, partially offset by a decrease in cost for data services, a decrease in network connection costs due to the ongoing deployment of Ethernet backhaul facilities primarily targeted at sites upgrading to 4G LTE and a decrease in the cost of long distance.

Selling, General and Administrative Expense

Selling, general and administrative expense increased during 2013 compared to 2012 primarily due to higher sales commission expense in our indirect channel. Indirect sales commission expense increased $1.1 billion during 2013 compared to 2012 primarily as a result of increases in indirect gross additions and upgrades, as well as the average commission per unit, as the mix of units continues to shift toward smartphones and more customers activate data services.

Selling, general and administrative expense increased during 2012 compared to 2011 primarily due to higher sales commission expense in our indirect channel as well as costs associated with regulatory fees. Indirect sales commission expense increased $1.3 billion during 2012 compared to 2011 primarily as a result of increases in the average commission per unit, as the mix of units continued to shift toward smartphones and more customers activated data services.

Depreciation and Amortization Expense

The increase in depreciation and amortization expense during 2013 compared to 2012 was primarily driven by an increase in net depreciable assets. Depreciation and amortization expense was essentially unchanged during 2012 compared to 2011.

Segment Operating Income and EBITDA

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Segment Operating Income	$ 25,997	$ 21,768	$ 18,527	$ 4,229	19.4%	$ 3,241	17.5%
Add Depreciation and amortization expense	8,202	7,960	7,962	242	3.0	(2)	–
Segment EBITDA	$ 34,199	$ 29,728	$ 26,489	$ 4,471	15.0	$ 3,239	12.2
Segment operating income margin	32.1%	28.7%	26.4%				
Segment EBITDA service margin	49.5%	46.6%	44.8%				

The changes in the table above during the periods presented were primarily a result of the factors described in connection with operating revenues and operating expenses.

Non-recurring or non-operational items excluded from Wireless' Operating income were as follows:

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Gain on spectrum license transaction	$ (278)	$ –	$ –
Severance, pension and benefit (credits) charges	(61)	37	76
	$ (339)	$ 37	$ 76

Wireline

Our Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

Operating Revenues and Selected Operating Statistics

Years Ended December 31,	2013	2012	2011	(dollars in millions) Increase/(Decrease) 2013 vs 2012		2012 vs 2011	
Consumer retail	$ 14,737	$ 14,043	$ 13,606	$ 694	4.9%	$ 437	3.2%
Small business	2,591	2,659	2,731	(68)	(2.6)	(72)	(2.6)
Mass Markets	17,328	16,702	16,337	626	3.7	365	2.2
Strategic services	8,420	8,052	7,575	368	4.6	477	6.3
Core	6,283	7,247	8,047	(964)	(13.3)	(800)	(9.9)
Global Enterprise	14,703	15,299	15,622	(596)	(3.9)	(323)	(2.1)
Global Wholesale	6,714	7,240	7,973	(526)	(7.3)	(733)	(9.2)
Other	478	539	750	(61)	(11.3)	(211)	(28.1)
Total Operating Revenues	$ 39,223	$ 39,780	$ 40,682	$ (557)	(1.4)	$ (902)	(2.2)
Connections (000) [1]							
Total voice connections	21,085	22,503	24,137	(1,418)	(6.3)	(1,634)	(6.8)
Total Broadband connections	9,015	8,795	8,670	220	2.5	125	1.4
FiOS Internet subscribers	6,072	5,424	4,817	648	11.9	607	12.6
FiOS Video subscribers	5,262	4,726	4,173	536	11.3	553	13.2

[1] As of end of period.

Wireline's revenues decreased $0.6 billion or 1.4% during 2013 compared to 2012 primarily driven by declines in Global Enterprise Core and Global Wholesale, partially offset by higher Consumer retail revenues driven by FiOS services and increased Strategic services revenues within Global Enterprise.

Mass Markets

Mass Markets operations provide broadband services (including high-speed Internet, FiOS Internet and FiOS Video services), local exchange (basic service and end-user access) and long distance (including regional toll) voice services to residential and small business subscribers.

2013 Compared to 2012

Mass Markets revenues increased $0.6 billion or 3.7% during 2013 compared to 2012 primarily due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategies, partially offset by the continued decline of local exchange revenues.

During 2013, we grew our subscriber base by 0.6 million FiOS Internet subscribers and by 0.5 million FiOS Video subscribers, while also consistently improving penetration rates within our FiOS service areas. As of December 31, 2013, we achieved penetration rates of 39.5% and 35.0% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 37.5% and 33.3% for FiOS Internet and FiOS Video, respectively, at December 31, 2012.

The increase in Mass Markets revenues, driven by FiOS services, was partially offset by the decline of local exchange revenues primarily due to a 5.2% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, VoIP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections, primarily reflecting competition and a shift to both IP and high-speed circuits.

2012 Compared to 2011

Mass Markets revenues increased during 2012 compared to 2011 primarily due to the expansion of FiOS services (Voice, Internet and Video) as well as changes in our pricing strategy adopted in 2012, partially offset by the continued decline of local exchange revenues.

We continued to grow our subscriber base and improved penetration rates within our FiOS service areas during 2012. Also contributing to the increase in revenue from FiOS services were changes in our pricing strategy adopted in 2012. As of December 31, 2012, we achieved penetration rates of 37.3% and 33.3% for FiOS Internet and FiOS Video, respectively, compared to penetration rates of 35.5% and 31.5% for FiOS Internet and FiOS Video, respectively, at December 31, 2011.

Mass Markets revenues were negatively impacted by the decline of local exchange revenues primarily due to a 6.1% decline in Consumer retail voice connections resulting primarily from competition and technology substitution with wireless, VoIP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections, primarily reflecting challenging economic conditions, competition and a shift to both IP and high-speed circuits.

Global Enterprise

Global Enterprise offers Strategic services including network products and solutions, advanced communications services, and other core communications services to medium and large business customers, multinational corporations and state and federal government customers.

2013 Compared to 2012

Global Enterprise revenues decreased $0.6 billion, or 3.9%, during 2013 compared to 2012 primarily due to a $0.5 billion, or 27.1%, decline in Core customer premise equipment revenues as well as lower voice services and data networking revenues, which consist of traditional circuit-based services such as frame relay, private line and Asynchronous Transfer Mode (ATM) services. These core services declined in 2013 compared to 2012 as our customer base continued to migrate to next generation IP services. The decline in customer premise equipment revenues reflected our focus on improving margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. The decline is also due to lower revenue from public sector customers. This decrease was partially offset by growth in Strategic services revenues, which increased $0.4 billion, or 4.6%, during 2013 compared to 2012 primarily due to growth in advanced services, such as contact center solutions, IP communications and our cloud and data center offerings, as well as revenue from a telematics services business that we acquired in the third quarter of 2012.

2012 Compared to 2011

Global Enterprise revenues decreased during 2012 compared to 2011 primarily due to lower local services and traditional circuit-based revenues, a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation. Core services declined compared to the similar period in 2011 as our customer base continued to migrate to next generation IP services. The decline in customer premise equipment revenues reflected our focus on improving margins by continuing to de-emphasize sales of equipment that are not part of an overall enterprise solutions bundle. This decrease was partially offset by higher Strategic services revenues. Strategic services revenues increased primarily due to growth in advanced services, such as managed network solutions, contact center solutions, IP communications and our cloud and data center offerings.

Global Wholesale

Global Wholesale provides communications services including data, voice and local dial tone and broadband services primarily to local, long distance and other carriers that use our facilities to provide services to their customers.

2013 Compared to 2012

Global Wholesale revenues decreased $0.5 billion, or 7.3%, during 2013 compared to 2012 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a 5.2% decline in domestic wholesale connections. The traditional voice product reductions are primarily due to competitors de-emphasizing their local market initiatives coupled with the effect of technology substitution. Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers. As a result of the customer upgrades, the number of core data circuits experienced an 11.3% decline compared to the similar period in 2012.

2012 Compared to 2011

Global Wholesale revenues decreased during 2012 compared to 2011 primarily due to a decline in traditional voice revenues as a result of decreased MOUs and a 5.3% decline in domestic wholesale connections. The traditional voice product reductions are primarily due to the continued impact of competitors de-emphasizing their local market initiatives coupled with the impact of technology substitution. Also contributing to the decline in voice revenues is the elimination of low margin international products and the continuing contraction of market rates due to competition. Partially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data services from fiber-to-the-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers. As a result of the customer upgrades, the number of core data circuits experienced a 9.6% decline compared to the similar period in 2011. We expect Global Wholesale revenue to continue to decline approximately 10% per quarter compared to the similar period in 2011, as we believe that the continued decline in core products will only be partially offset by growth in Ethernet and IP services.

Other

Other revenues include such services as local exchange and long distance services outside of our network footprint and operator services which are no longer being marketed. The decrease in revenues from other services during 2013 and 2012 was primarily due to reduced volumes outside of our network footprint.

Operating Expenses

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Cost of services and sales	$ 21,928	$ 22,413	$ 22,158	$ (485)	(2.2)%	$ 255	1.2%
Selling, general and administrative expense	8,595	8,883	9,107	(288)	(3.2)	(224)	(2.5)
Depreciation and amortization expense	8,327	8,424	8,458	(97)	(1.2)	(34)	(0.4)
Total Operating Expenses	$ 38,850	$ 39,720	$ 39,723	$ (870)	(2.2)	$ (3)	–

Cost of Services and Sales

Cost of services and sales decreased during 2013 compared to 2012 primarily due to a decrease in costs related to customer premise equipment which reflected our focus on improving margins by de-emphasizing sales of equipment that are not part of an overall enterprise solutions bundle, a decline in access costs resulting primarily from declines in overall wholesale long distance volumes and the net effect of storm-related insurance recoveries. These decreases were partially offset by higher content costs associated with continued FiOS subscriber growth and vendor rate increases.

Cost of services and sales increased during 2012 compared to 2011, primarily due to higher content costs associated with continued FiOS subscriber growth and vendor rate increases and increased expenses related to our cloud and data center offerings. Cost of services and sales was also impacted by higher costs related to FiOS installation as well as higher repair and maintenance expenses caused by storm-related events in 2012 compared to 2011. The increases were partially offset by a decline in access costs primarily from management actions to reduce exposure to unprofitable international wholesale routes and declines in overall wholesale long distance volumes. Costs related to customer premise equipment also decreased, which reflected our focus on improving margins by de-emphasizing sales of equipment that are not part of an overall enterprise solutions bundle.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased during 2013 compared to 2012 primarily due to declines in employee costs, primarily as a result of reduced headcount, and declines in rent expenses, partially offset by higher transaction and property tax expenses.

Selling, general and administrative expense decreased during 2012 compared to 2011 primarily due to lower allocations related to centralized administrative functions, and to a lesser extent, lower property and transaction tax expenses and employee costs.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased during 2013 compared to 2012, as well as 2012 compared to 2011, due to declines in depreciable assets, partially offset by an increase in amortization expense related to non-network software.

Segment Operating Income and EBITDA

				(dollars in millions) Increase/(Decrease)			
Years Ended December 31,	2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
Segment Operating Income	$ 373	$ 60	$ 959	$ 313	nm	$ (899)	(93.7)%
Add Depreciation and amortization expense	8,327	8,424	8,458	(97)	(1.2)%	(34)	(0.4)
Segment EBITDA	$ 8,700	$ 8,484	$ 9,417	$ 216	2.5	$ (933)	(9.9)
Segment operating income margin	1.0%	0.2%	2.4%				
Segment EBITDA margin	22.2%	21.3%	23.1%				

nm = not meaningful

The changes in Wireline's Operating income, Segment EBITDA and Segment EBITDA margin during the periods presented were primarily a result of the factors described in connection with operating revenues and operating expenses.

During 2012, $0.1 billion of non-recurring or non-operational items were excluded from Wireline's Operating income.

Gain on Spectrum License Transaction

During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the gain on the spectrum license transaction described above.

Wireless Transaction Costs

During 2013, as a result of the Wireless Transaction, we recorded costs of $0.9 billion primarily for interest expense of $0.7 billion related to the issuance of the new notes, as well as $0.2 billion in fees primarily in connection with the bridge credit agreement (see "Consolidated Financial Condition").

Severance, Pension and Benefit (Credits) Charges

During 2013, we recorded net pre-tax severance, pension and benefits credits of approximately $6.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The credits were primarily driven by an increase in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4.2% at December 31, 2012 to a weighted-average of 5.0% at December 31, 2013 ($4.3 billion), lower than assumed retiree medical costs and other assumption adjustments ($1.4 billion) and the difference between our estimated return on assets of 7.5% at December 31, 2012 and our actual return on assets of 8.6% at December 31, 2013 ($0.5 billion).

During 2012, we recorded net pre-tax severance, pension and benefits charges of approximately $7.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from a weighted-average of 5% at December 31, 2011 to a weighted-average of 4.2% at December 31, 2012 ($5.3 billion) and revisions to the retirement assumptions for participants and other assumption adjustments, partially offset by the difference between our estimated return on assets of 7.5% and our actual return on assets of 10% ($0.7 billion). As part of this charge, we also recorded $1.0 billion related to the amortization of pension liabilities (see "Employee Benefit Plan Funded Status and Contributions") as well as severance charges of $0.4 billion primarily for approximately 4,000 management employees.

During 2011, we recorded net pre-tax severance, pension and benefits charges of approximately $6.0 billion for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from 5.75% at December 31, 2010 to 5% at December 31, 2011 ($5.0 billion); the difference between our estimated return on assets of 8% and our actual return on assets of 5% ($0.9 billion); and revisions to the life expectancy of participants and other adjustments to assumptions.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the severance, pension and benefit (credits) charges presented above.

Early Debt Redemption and Other Costs

During November 2012, we recorded debt redemption costs of $0.8 billion in connection with the purchase of $0.9 billion of the $1.25 billion of 8.95% Verizon Communications Notes due 2039 in a cash tender offer.

During December 2012, we recorded debt redemption costs of $0.3 billion in connection with the early redemption of $0.7 billion of the $2.0 billion of 8.75% Verizon Communications Notes due 2018, $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 and $0.75 billion of 4.35% Verizon Communications Notes due February 2013, as well as $0.3 billion of other costs.

During November 2011, we recorded debt redemption costs of $0.1 billion in connection with the early redemption of $1.0 billion of 7.375% Verizon Communications Notes due September 2012, $0.6 billion of 6.875% Verizon Communications Notes due June 2012, $0.4 billion of 6.125% Verizon Florida Inc. Debentures due January 2013, $0.5 billion of 6.125% Verizon Maryland Inc. Debentures due March 2012 and $1.0 billion of 6.875% Verizon New York Inc. Debentures due April 2012.

Litigation Settlements

In the third quarter of 2012, we settled a number of patent litigation matters, including cases with ActiveVideo Networks Inc. (ActiveVideo) and TiVo Inc. (TiVo). In connection with the settlements with ActiveVideo and TiVo, we recorded a charge of $0.4 billion in the third quarter of 2012 and will pay and recognize over the following six years an additional $0.2 billion.

The Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and EBITDA discussion (See "Consolidated Results of Operations") excludes the litigation settlement costs presented above.

Year Ended December 31,	2013	2012	2011
		(dollars in millions)	
Cash Flows Provided By (Used In)			
Operating activities	$ 38,818	$ 31,486	$ 29,780
Investing activities	(14,833)	(20,502)	(17,250)
Financing activities	26,450	(21,253)	(5,836)
Increase (Decrease) In Cash and Cash Equivalents	$ 50,435	$ (10,269)	$ 6,694

We use the net cash generated from our operations to fund network expansion and modernization, repay external financing, pay dividends, repurchase Verizon common stock from time to time and invest in new businesses. Our sources of funds, primarily from operations and, to the extent necessary, from external financing arrangements, are sufficient to meet ongoing operating and investing requirements. The cash portion of the purchase price for the Wireless Transaction was primarily funded by the incurrence of third-party indebtedness, including the issuance of $49.0 billion aggregate principal amount of fixed and floating rate notes and other indebtedness (see "Acquisitions and Divestitures"). We expect that our capital spending requirements will continue to be financed primarily through internally generated funds. Debt or equity financing may be needed to fund additional investments or development activities or to maintain an appropriate capital structure to ensure our financial flexibility. Our cash and cash equivalents are primarily held domestically in diversified accounts and are invested to maintain principal and liquidity. Accordingly, we do not have significant exposure to foreign currency fluctuations.

The volatility in world debt and equity markets has not had a significant effect on our ability to access external financing. Our available external financing arrangements include credit available under credit facilities and other bank lines of credit, vendor financing arrangements, issuances of registered debt or equity securities and privately placed capital market securities. We may also issue short-term debt through an active commercial paper program and have a $6.2 billion credit facility to support such commercial paper issuances. In addition, during 2013, we entered into a $2.0 billion 364-day revolving credit agreement.

Cash Flows Provided By Operating Activities

Our primary source of funds continues to be cash generated from operations, primarily from our Wireless segment. Net cash provided by operating activities during 2013 increased by $7.3 billion compared to 2012 primarily due to higher consolidated earnings, lower pension contributions and improved working capital levels. The increase in net cash provided by operating activities in 2013 was partially offset by net distributions of $0.2 billion received from Vodafone Omnitel in 2012.

Net cash provided by operating activities during 2012 increased by $1.7 billion compared to 2011 primarily due to higher consolidated earnings, as well as improved working capital levels, due to timing differences partially offset by an increase in pension contributions. Net cash provided by operating activities during 2012 and 2011 included net distributions received from Vodafone Omnitel of $0.2 billion and $0.4 billion, respectively.

Cash Flows Used In Investing Activities

Capital Expenditures

Capital expenditures continue to be our primary use of capital resources as they facilitate the introduction of new products and services, enhance responsiveness to competitive challenges and increase the operating efficiency and productivity of our networks.

Capital expenditures, including capitalized software, were as follows:

Years Ended December 31,	2013	2012	2011
			(dollars in millions)
Wireless	$ 9,425	$ 8,857	$ 8,973
Wireline	6,229	6,342	6,399
Other	950	976	872
	$ 16,604	$ 16,175	$ 16,244
Total as a percentage of revenue	13.8%	14.0%	14.7%

Capital expenditures increased at Wireless in 2013 compared to 2012 in order to substantially complete the build-out of our 4G LTE network. Capital expenditures declined at Wireline as a result of decreased legacy spending requirements and a decline in spending on our FiOS network.

Capital expenditures declined slightly at Wireless in 2012 compared to 2011 due to the decreased investment in the capacity of our wireless EV-DO network, partially offset by the increased build-out of our 4G LTE network. Capital expenditures declined slightly at Wireline due to lower legacy spending requirements.

Acquisitions

During 2013, 2012 and 2011, we invested $0.5 billion, $4.3 billion and $0.2 billion, respectively, in acquisitions of wireless licenses. During 2013, 2012 and 2011, we also invested $0.9 billion, $0.9 billion and $1.8 billion, respectively, in acquisitions of investments and businesses, net of cash acquired.

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. In February 2014, Verizon acquired a business dedicated to the development of cloud television products and services for cash consideration that was not significant.

During 2012, we paid approximately $4.3 billion to acquire wireless licenses primarily to meet future LTE capacity needs and enable LTE expansion. Additionally, during 2012, we acquired HUGHES Telematics, a provider of telematics services, for $0.6 billion. See "Acquisitions and Divestitures" for additional details.

During April 2011, we paid approximately $1.4 billion for the equity of Terremark, which was partially offset by $0.1 billion of cash acquired (see "Acquisitions and Divestitures"). See "Cash Flows From Financing Activities" regarding the debt obligations of Terremark that were repaid during May 2011. In addition, during 2011, we acquired various wireless licenses and markets as well as a provider of cloud software technology for cash consideration that was not significant.

Dispositions

During 2013, we completed the sale of 700 MHz lower B block spectrum licenses and as a result, we received proceeds of $2.1 billion. Additionally, on January 6, 2014, we announced agreements with T-Mobile USA, Inc. (T-Mobile USA) pursuant to which we will dispose of our remaining 700 MHz A block spectrum licenses, and as a result of these agreements we expect to receive cash consideration of approximately $2.4 billion and additional spectrum. See "Acquisitions and Divestitures" for additional information.

During 2012, we received $0.2 billion related to the sale of some of our 700 MHz lower A and B block spectrum licenses. We acquired these licenses as part of Federal Communications Commission (FCC) Auction 73 in 2008.

Other, net

During 2011, Other, net primarily included proceeds related to the sales of long-term investments, which were not significant to our consolidated statements of income.

Cash Flows Provided by (Used In) Financing Activities

We seek to maintain a mix of fixed and variable rate debt to keep borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. During 2013, 2012 and 2011, net cash provided by (used in) financing activities was $26.5 billion, $(21.3) billion and $(5.8) billion, respectively.

2013

During March 2013, we issued $0 5 billion aggregate principal amount of floating rate Notes due 2015 in a private placement resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The proceeds were used for the repayment of commercial paper

During April 2013, $1 25 billion of 5 25% Verizon Communications Notes matured and were repaid During May 2013, $0 1 billion of 7 0% Verizon New York Inc Debentures matured and were repaid During June 2013, $0 5 billion of 4 375% Verizon Communications Notes and $0 1 billion of 7 0% Verizon New York Inc Debentures matured and were repaid In addition, during June 2013, we redeemed $0 25 billion of 7 15% Verizon Maryland LLC Debentures due May 2023 at a redemption price of 100% of the principal amount of the debentures

During September 2013, in connection with the Wireless Transaction we issued $49 0 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $48 7 billion, net of discounts and issuance costs The issuances consisted of the following $2 25 billion aggregate principal amount of floating rate Notes due 2016 that bear interest at a rate equal to three-month London Interbank Offered Rate (LIBOR) plus 1 53% which rate will be reset quarterly $1 75 billion aggregate principal amount of floating rate Notes due 2018 that bear interest at a rate equal to three-month LIBOR plus 1 75% which rate will be reset quarterly, $4 25 billion aggregate principal amount of 2 50% Notes due 2016, $4 75 billion aggregate principal amount of 3 65% Notes due 2018 $4 0 billion aggregate principal amount of 4 50% Notes due 2020 $11 0 billion aggregate principal amount of 5 15% Notes due 2023, $6 0 billion aggregate principal amount of 6 40% Notes due 2033 and $15 0 billion aggregate principal amount of 6 55% Notes due 2043 (collectively, the new notes) The proceeds of the new notes were used to finance in part, the Wireless Transaction and to pay related fees and expenses As a result of the issuance of the new notes we incurred interest expense related to the Wireless Transaction of $0 7 billion during 2013

During October 2013, $0 3 billion of 4 75% Verizon New England Inc Debentures matured and were repaid

During November 2013, $1 25 billion of 7 375% Verizon Wireless Notes and $0 2 billion of 6 5% Verizon Wireless Notes matured and were repaid During November 2013 Verizon Wireless redeemed $3 5 billion of 5 55% Notes due February 1 2014 at a redemption price of 101% of the principal amount of the notes and $0 3 billion of 6 70% Verizon New York Inc Debentures due November 2023 at a redemption price of 100% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date of redemption

During December 2013 we redeemed $0 2 billion of 7 0% Verizon New York Inc Debentures due December 2033 at a redemption price of 100% of the principal amount of the debentures and $20 million of 7 0% Verizon Delaware LLC Debentures due December 2023 at a redemption price of 100% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date of redemption

In addition, during 2013 we utilized $0 2 billion under fixed rate vendor financing facilities

During February 2014, we issued €1 75 billion aggregate principal amount of 2 375% Notes due 2022, €1 25 billion aggregate principal amount of 3 25% Notes due 2026 and £0 85 billion aggregate principal amount of 4 75% Notes due 2034 The issuance of these Notes resulted in cash proceeds of approximately $5 4 billion, net of discounts and issuance costs The net proceeds were used in part, to finance the Wireless Transaction Any net proceeds not used to finance the Wireless Transaction will be used for general corporate purposes Also during February 2014, we issued $0 5 billion aggregate principal amount of 5 9% Retail Notes due 2054 resulting in cash proceeds of approximately $0 5 billion, net of discounts and issuance costs The proceeds will be used for general corporate purposes

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5 0 billion aggregate principal amount of floating rate notes The Verizon Notes were issued in two separate series, with $2 5 billion due February 21 2022 and $2.5 billion due February 21, 2025 The Verizon Notes bear interest at a floating rate, which will be reset quarterly, with interest payable quarterly in arrears, beginning May 21, 2014 (see "Acquisitions and Divestitures") The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%

Term Loan Agreement

During October 2013, we entered into a term loan agreement with a group of major financial institutions pursuant to which we drew $6 6 billion in February 2014 to finance, in part, the Wireless Transaction and to pay transaction costs Half of any loans under the term loan agreement have a maturity of three years and the other half have a maturity of five years (the 5-Year Loans) The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding Loans under the term loan agreement bear interest at floating rates The term loan agreement contains certain negative covenants, including a negative pledge covenant a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3 50 1 00, until our credit ratings reach a certain level

Bridge Credit Agreement

During September 2013, we entered into a $61 0 billion bridge credit agreement with a group of major financial institutions The credit agreement provided us with the ability to borrow up to $61 0 billion to finance, in part, the Wireless Transaction and to pay related transaction costs Following the September 2013 issuance of notes, borrowing availability under the bridge credit agreement was reduced to $12 0 billion Following the effectiveness of the term loan agreement in October 2013, the bridge credit agreement was terminated in accordance with its terms and as such, the related fees of $0 2 billion were recognized in Other income and (expense), net during the fourth quarter of 2013

2012

During January 2012, $3 0 billion of 5 875% Verizon New Jersey Inc Debentures matured and were repaid During February 2012, $0 8 billion of 5 25% Verizon Wireless Notes matured and were repaid During July 2012, $0 8 billion of 7 0% Verizon Wireless Notes matured and were repaid In addition during 2012 we utilized $0 2 billion under fixed rate vendor financing facilities

On November 2 2012 we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the outstanding $1 25 billion aggregate principal amount of 8 95% Verizon Communications Notes due 2039 In the Tender Offer that was completed November 9 2012 $0 9 billion aggregate principal amount of the notes was purchased and $0 35 billion principal amount of the notes remained outstanding Any accrued and unpaid interest on the principal purchased was paid to the date of purchase

During November 2012 we issued $4 5 billion aggregate principal amount of fixed rate notes at varying maturities resulting in cash proceeds of approximately $4 47 billion, net of discounts and issuance costs The net proceeds were used for general corporate purposes for the Tender Offer and to redeem $0 7 billion of $2 0 billion of 8 75% Verizon Communications Notes due 2018 $1 0 billion of 4 625% Verizon Virginia LLC Debentures, Series A due 2013 and $0 75 billion of 4 35% Verizon Communications Notes due 2013

In addition, during 2012 various fixed rate notes totaling approximately $0 7 billion were repaid and any accrued and unpaid interest was paid to the date of payment

See Other Items regarding the early debt redemption costs incurred in connection with the aforementioned repurchases and redemptions

2011

During 2011, proceeds from long-term borrowings totaled $11 1 billion, which was primarily used to repay outstanding debt, redeem higher interest bearing debt maturing in the near term and for other general corporate purposes

During 2011 $0 6 billion of 5 35% Verizon Communications Notes matured and were repaid and we utilized $0 3 billion under fixed rate vendor financing facilities

During March 2011 we issued $6 25 billion aggregate principal amount of fixed and floating rate notes at varying maturities resulting in cash proceeds of approximately $6 19 billion net of discounts and issuance costs The net proceeds were used for the repayment of commercial paper and other general corporate purposes as well as to redeem $2 0 billion aggregate principal amount of telephone subsidiary debt during April 2011

The debt obligations of Terremark that were outstanding at the time of its acquisition by Verizon were repaid during the second quarter of 2011

During November 2011 we issued $4 6 billion aggregate principal amount of fixed rate notes at varying maturities resulting in cash proceeds of approximately $4 55 billion net of discounts and issuance costs During November 2011 the net proceeds were used to redeem $1 6 billion aggregate principal amount of Verizon Communications notes and $1 9 billion aggregate principal amount of telephone subsidiary debt The remaining net proceeds were used for the repayment of commercial paper and other general corporate purposes See Other Items regarding the early debt redemption costs incurred in connection with the aforementioned redemptions

During December 2011, we repaid $0.9 billion upon maturity for the €0 7 billion of 7 625% Verizon Wireless Notes, and the related cross currency swap was settled During May 2011, $4 0 billion Verizon Wireless two-year fixed and floating rate notes matured and were repaid

Special Distributions

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date in the aggregate amount of $7 0 billion As a result Vodafone received a cash payment of $3 15 billion and the remainder of the distribution was received by Verizon

In November 2012, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the fourth quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $8 5 billion As a result Vodafone received a cash payment of $3 8 billion and the remainder of the distribution was received by Verizon

In July 2011, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the first quarter of 2012 in proportion to their partnership interests on the payment date in the aggregate amount of $10 billion As a result, Vodafone received a cash payment of $4 5 billion and the remainder of the distribution was received by Verizon

Other net

The change in Other, net financing activities during 2013 compared to 2012 was primarily driven by higher distributions to Vodafone, which owned a 45% noncontrolling interest in Verizon Wireless as of December 31 2013 The change in Other, net financing activities during 2012 compared to 2011 was primarily driven by higher distributions to Vodafone and higher early debt redemption costs (see Other Items")

Dividends

The Verizon Board of Directors determines the appropriateness of the level of our dividend payments on a periodic basis by considering such factors as long-term growth opportunities, internal cash requirements and the expectations of our shareowners During the third quarter of 2013, the Board increased our quarterly dividend payment 2 9% to $ 53 per share from $ 515 per share in the same period of 2012 This is the seventh consecutive year that Verizon's Board of Directors has approved a quarterly dividend increase During the third quarter of 2012, the Board increased our quarterly dividend payment 3 0% to $ 515 per share from $ 50 per share in the same period of 2011 During the third quarter of 2011, the Board increased our quarterly dividend payment 2 6% to $ 50 per share from $ 4875 per share in the same period of 2010

During 2013 we paid $5 9 billion in dividends compared to $5 2 billion in 2012 and $5 6 billion in 2011 As in prior periods, dividend payments were a significant use of capital resources While the dividends declared per common share increased in 2012 compared to 2011 the total amount of cash dividends paid decreased during 2012 compared to the prior year as a portion of the dividends was satisfied through the issuance of common shares from Treasury stock (see Common Stock")

Credit Facilities

On August 13 2013, we amended our $6 2 billion credit facility with a group of major financial institutions to extend the maturity date to August 12, 2017 As of December 31, 2013, the unused borrowing capacity under this credit facility was approximately $6 1 billion The credit facility does not require us to comply with financial covenants or maintain specified credit ratings, and it permits us to borrow even if our business has incurred a material adverse change We use the credit facility to support the issuance of commercial paper, for the issuance of letters of credit and for general corporate purposes

During October 2013, we entered into a $2 0 billion 364-day revolving credit agreement with a group of major financial institutions Although effective as of October 2013, we could not draw on this revolving credit agreement prior to the completion of the Wireless Transaction We may use borrowings under the 364-day credit agreement for general corporate purposes The 364-day revolving credit agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating In addition this agreement requires us to maintain a leverage ratio (as defined in the agreement) not in excess of 3 50 1 00 until our credit ratings reach a certain level

Common Stock

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 24 6 million common shares issued from Treasury stock during 2012, related to dividend payments, which had an aggregate value of $1 0 billion On February 3, 2011, the Board of Directors replaced the previously authorized share buyback program with a new program for the repurchase of up to 100 million common shares terminating no later than the close of business on February 28, 2014 The Board also determined that no additional shares were to be purchased under the prior program During 2013, we repurchased $0.2 billion of our common stock under this program. There were no repurchases of common stock during 2012 or 2011

As a result of the Wireless Transaction, Verizon issued approximately 1 27 billion shares

Credit Ratings

During the third quarter of 2013, Verizon's credit ratings were downgraded by Moody's Investors Service (Moody's), Standard & Poor's Ratings Services (Standard & Poor s) and Fitch Ratings (Fitch) as a result of Verizon's announcement of the agreement to acquire Vodafone's 45% noncontrolling interest in Verizon Wireless for approximately $130 billion including the incurrence of third-party indebtedness to fund the cash portion of the purchase price for the Wireless Transaction Moody s downgraded Verizon's long-term debt ratings one notch from A3 to Baa1, while Standard & Poor's lowered its corporate credit rating and senior unsecured debt rating one notch from A- to BBB+ and Fitch lowered its long-term issuer default rating and senior unsecured debt rating one notch from A to A-

Although the ratings downgrade is not expected to significantly impact our access to capital, it could increase both the cost of refinancing debt and the cost of financing any new capital requirements Securities ratings assigned by rating organizations are expressions of opinion and are not recommendations to buy, sell or hold securities A securities rating is subject to revision or withdrawal at any time by the assigning rating organization Each rating should be evaluated independently of any other rating

Covenants

Our credit agreements contain covenants that are typical for large, investment grade companies These covenants include requirements to pay interest and principal in a timely fashion, pay taxes, maintain insurance with responsible and reputable insurance companies preserve our corporate existence, keep appropriate books and records of financial transactions, maintain our properties provide financial and other reports to our lenders limit pledging and disposition of assets and mergers and consolidations and other similar covenants Additionally, the term loan credit agreement and the 364-day revolving credit agreement require us to maintain a leverage ratio (as such term is defined in those agreements) not in excess of 3 50 1 00 until our credit ratings are equal to or higher than A3 and A-

We and our consolidated subsidiaries are in compliance with all debt covenants

Increase (Decrease) In Cash and Cash Equivalents

Our Cash and cash equivalents at December 31 2013 totaled $53 5 billion a $50 4 billion increase compared to Cash and cash equivalents at December 31, 2012 primarily as a result of the issuance of $49 0 billion aggregate principal amount of fixed and floating rate notes

Our Cash and cash equivalents at December 31 2012 totaled $3 1 billion a $10 3 billion decrease compared to Cash and cash equivalents at December 31 2011 as a result of the factors described in connection with our cash flows provided by operating activities, cash flows used in investing activities and cash flows used in financing activities

Free Cash Flow

Free cash flow is a non-GAAP financial measure that management believes is useful to investors and other users of Verizon's financial information in evaluating cash available to pay debt and dividends Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities The following table reconciles net cash provided by operating activities to Free cash flow

			(dollars in millions)
Years Ended December 31,	2013	2012	2011
Net cash provided by operating activities	$ 38,818	$ 31,486	$ 29,780
Less: Capital expenditures (including capitalized software)	16,604	16,175	16,244
Free cash flow	$ 22,214	$ 15,311	$ 13,536

The changes in free cash flow during 2013 2012 and 2011 were a result of the factors described in connection with net cash provided by operating activities and capital expenditures

Employee Benefit Plan Funded Status and Contributions

Pension Annuitization

On October 17 2012 we along with our subsidiary Verizon Investment Management Corp and Fiduciary Counselors Inc , as independent fiduciary of the Verizon Management Pension Plan (the Plan) entered into a definitive purchase agreement with The Prudential Insurance Company of America (Prudential) and Prudential Financial Inc pursuant to which the Plan would purchase a single premium group annuity contract from Prudential

On December 10, 2012, upon issuance of the group annuity contract by Prudential, Prudential irrevocably assumed the obligation to make future annuity payments to approximately 41,000 Verizon management retirees who began receiving pension payments from the Plan prior to January 1, 2010 The amount of each retiree's annuity payment equals the amount of such individual's pension benefit In addition, the group annuity contract is intended to replicate the same rights to future payments, such as survivor benefits, that are currently offered by the Plan

We contributed approximately $2 6 billion to the Plan between September 1, 2012 and December 31, 2012 in connection with the transaction so that the Plan s funding percentage would not decrease as a result of the transaction

Employer Contributions

We operate numerous qualified and nonqualified pension plans and other postretirement benefit plans. These plans primarily relate to our domestic business units. During 2013, contributions to our qualified pension plans were not material. During 2012 and 2011, we contributed $0.9 billion and $0.4 billion, respectively, to our qualified pension plans, excluding the pension annuitization discussed above. We also contributed $0.1 billion, $0.2 billion and $0.1 billion to our nonqualified pension plans in 2013, 2012 and 2011, respectively.

In an effort to reduce the risk of our portfolio strategy and better align assets with liabilities, we have adopted a liability driven pension strategy that seeks to better match cash flows from investments with projected benefit payments. We expect that the strategy will reduce the likelihood that assets will decline at a time when liabilities increase (referred to as liability hedging), with the goal to reduce the risk of underfunding to the plan and its participants and beneficiaries; however, we also expect the strategy to result in lower asset returns. Based on this strategy and the funded status of the plans at December 31, 2013, we expect the minimum required qualified pension plan contribution in 2014 to be $1.2 billion. Nonqualified pension contributions are estimated to be approximately $0.2 billion in 2014.

Contributions to our other postretirement benefit plans generally relate to payments for benefits on an as-incurred basis since the other postretirement benefit plans do not have funding requirements similar to the pension plans. We contributed $1.4 billion, $1.5 billion and $1.4 billion to our other postretirement benefit plans in 2013, 2012 and 2011, respectively. Contributions to our other postretirement benefit plans are estimated to be approximately $1.4 billion in 2014.

Leasing Arrangements

We are the lessor in leveraged and direct financing lease agreements for commercial aircraft and power generating facilities which comprise the majority of our leasing portfolio along with telecommunications equipment, commercial real estate property and other equipment. These leases have remaining terms of up to 37 years as of December 31, 2013. In addition, we lease space on certain of our cell towers to other wireless carriers. Minimum lease payments receivable represent unpaid rentals, less principal and interest on third-party nonrecourse debt relating to leveraged lease transactions. Since we have no general liability for this debt, which is secured by a senior security interest in the leased equipment and rentals, the related principal and interest have been offset against the minimum lease payments receivable in accordance with U.S. GAAP. All recourse debt is reflected in our consolidated balance sheets.

Off Balance Sheet Arrangements and Contractual Obligations

Contractual Obligations and Commercial Commitments

The following table provides a summary of our contractual obligations and commercial commitments at December 31, 2013. Additional detail about these items is included in the notes to the consolidated financial statements.

(dollars in millions)

	Payments Due By Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt [1]	$ 92,851	$ 3,395	$ 13,466	$ 16,252	$ 59,738
Capital lease obligations [2]	293	91	92	49	61
Total long-term debt, including current maturities	93,144	3,486	13,558	16,301	59,799
Interest on long-term debt [3]	74,938	4,816	9,419	8,609	52,094
Operating leases [2]	12,190	2,255	3,723	2,464	3,748
Purchase obligations [3]	33,440	19,724	8,778	4,163	775
Other long-term liabilities [4]	4,404	2,825	1,579	–	–
Total contractual obligations	$ 218,116	$ 33,106	$ 37,057	$ 31,537	$ 116,416

[1] Items included in long-term debt with variable coupon rates are described in Note 8 to the consolidated financial statements.

[2] See Note 7 to the consolidated financial statements.

[3] The purchase obligations reflected above are primarily commitments to purchase handsets and peripherals, equipment, software programming and network services and marketing activities, which will be used or sold in the ordinary course of business. These amounts do not represent our entire anticipated purchases in the future, but represent only those items that are the subject of contractual obligations. We also purchase products and services as needed with no firm commitment. For this reason, the amounts presented in this table alone do not provide a reliable indicator of our expected future cash outflows or changes in our expected cash position (see Note 16 to the consolidated financial statements).

[4] Other long-term liabilities include estimated postretirement benefit and qualified pension plan contributions (see Note 11 to the consolidated financial statements).

We are not able to make a reliable estimate of when the unrecognized tax benefits balance of $2.1 billion and related interest and penalties will be settled with the respective taxing authorities until issues or examinations are further developed (see Note 12 to the consolidated financial statements).

Guarantees

In connection with the execution of agreements for the sale of businesses and investments, Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters, such as ownership of the securities being sold, as well as financial losses (see Note 16 to the consolidated financial statements).

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries. As of December 31, 2013, $3.1 billion principal amount of these obligations remain outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, which will occur, among other things, if the operating telephone company is no longer a wholly-owned subsidiary of Verizon.

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of December 31, 2013, $1.7 billion principal amount of these obligations remained outstanding (see Note 8 to the consolidated financial statements).

As of December 31, 2013, letters of credit totaling approximately $0.1 billion, which were executed in the normal course of business and support several financing arrangements and payment obligations to third parties, were outstanding (see Note 16 to the consolidated financial statements).

Market Risk

We are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes, foreign currency exchange rate fluctuations, changes in investment, equity and commodity prices and changes in corporate tax rates. We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps, foreign currency and prepaid forwards and collars, interest rate swap agreements, commodity swap and forward agreements and interest rate locks. We do not hold derivatives for trading purposes.

It is our general policy to enter into interest rate, foreign currency and other derivative transactions only to the extent necessary to achieve our desired objectives in limiting our exposure to various market risks. Our objectives include maintaining a mix of fixed and variable rate debt to lower borrowing costs within reasonable risk parameters and to protect against earnings and cash flow volatility resulting from changes in market conditions. We do not hedge our market risk exposure in a manner that would completely eliminate the effect of changes in interest rates and foreign exchange rates on our earnings. We do not expect that our net income, liquidity and cash flows will be materially affected by these risk management strategies.

Interest Rate Risk

We are exposed to changes in interest rates, primarily on our short-term debt and the portion of long-term debt that carries floating interest rates. As of December 31, 2013, approximately 92% of the aggregate principal amount of our total debt portfolio consisted of fixed rate indebtedness, including the effect of interest rate swap agreements designated as hedges. The impact of a 100 basis point change in interest rates affecting our floating rate debt would result in a change in annual interest expense, including our interest rate swap agreements that are designated as hedges, of approximately $0.1 billion. The interest rates on our existing long-term debt obligations are unaffected by changes to our credit ratings.

The table that follows summarizes the fair values of our long-term debt, including current maturities, and interest rate swap derivatives as of December 31, 2013 and 2012. The table also provides a sensitivity analysis of the estimated fair values of these financial instruments assuming 100-basis-point upward and downward shifts in the yield curve. Our sensitivity analysis does not include the fair values of our commercial paper and bank loans, if any, because they are not significantly affected by changes in market interest rates.

(dollars in millions)

At December 31, 2013	Fair Value	Fair Value assuming +100 basis point shift	Fair Value assuming -100 basis point shift
Long-term debt and related derivatives	$ 103,103	$ 95,497	$ 111,910
At December 31, 2012			
Long-term debt and related derivatives	$ 91,045	$ 86,939	$ 95,747

Interest Rate Swaps

We have entered into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our consolidated balance sheets as assets and liabilities.

During 2012, interest rate swaps with a notional value of $5.8 billion were settled. As a result of the settlements, we received net proceeds of $0.7 billion, including accrued interest which is included in Other, net operating activities in the consolidated statement of cash flows. The fair value basis adjustment to the underlying debt instruments was recognized into earnings as a reduction of interest expense over the remaining lives of the underlying debt obligations. During the second quarter of 2013, interest rate swaps with a notional value of $1.25 billion matured and the impact to our consolidated financial statements was not material. During the third quarter of 2013, we entered into interest rate swaps with a total notional value of $1.8 billion. At December 31, 2013 and 2012, the fair value of these interest rate swaps was not material. At December 31, 2013, the total notional amount of these interest rate swaps was $2.8 billion. The ineffective portion of these interest rate swaps was not material at December 31, 2013.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a notional value of $2.0 billion. We designated these contracts as cash flow hedges. The fair value of these contracts was not material at December 31, 2013.

Foreign Currency Translation

The functional currency for our foreign operations is primarily the local currency. The translation of income statement and balance sheet amounts of our foreign operations into U.S. dollars is recorded as cumulative translation adjustments, which are included in Accumulated other comprehensive income in our consolidated balance sheets. Gains and losses on foreign currency transactions are recorded in the consolidated statements of income in Other income and (expense), net. At December 31, 2013, our primary translation exposure was to the British Pound Sterling, the Euro, the Australian Dollar and the Japanese Yen.

Cross Currency Swaps

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.6 billion of Euro, Pound Sterling and Euro denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses. A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expense), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations. The fair value of the outstanding swaps was not material at December 31, 2013 or December 31, 2012. During 2013 and 2012 the gains with respect to these swaps were not material.

During February 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.4 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Critical Accounting Estimates

A summary of the critical accounting estimates used in preparing our financial statements is as follows:

- Wireless licenses and Goodwill are a significant component of our consolidated assets. Both our wireless licenses and goodwill are treated as indefinite-lived intangible assets and, therefore are not amortized, but rather are tested for impairment annually in the fourth fiscal quarter, unless there are events or changes in circumstances during an interim period that indicate these assets may not be recoverable. We believe our estimates and assumptions are reasonable and represent appropriate marketplace considerations as of the valuation date. We do not believe that reasonably likely adverse changes in our assumptions and estimates would result in an impairment charge as of our latest impairment testing date. However, if there is a substantial and sustained adverse decline in our operating profitability, we may have impairment charges in future years. Any such impairment charge could be material to our results of operations and financial condition.

Wireless Licenses

The carrying value of our wireless licenses was approximately $75.7 billion as of December 31, 2013. We aggregate our wireless licenses into one single unit of accounting as we utilize our wireless licenses on an integrated basis as part of our nationwide wireless network. Our wireless licenses provide us with the exclusive right to utilize certain radio frequency spectrum to provide wireless communication services. There are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses. In 2013, we performed a qualitative impairment assessment to determine whether it is more likely than not that the fair value of our wireless licenses was less than the carrying amount. As part of our assessment we considered several qualitative factors including the business enterprise value of Wireless, macroeconomic conditions (including changes in interest rates and discount rates), industry and market considerations (including industry revenue and EBITDA margin projections), the projected financial performance of Wireless as well as other factors. Based on our assessment in 2013, we qualitatively concluded that it was more likely than not that the fair value of our wireless licenses significantly exceeded their carrying value and therefore did not result in an impairment.

In 2012 and 2011, our quantitative impairment test consisted of comparing the estimated fair value of our wireless licenses to the aggregated carrying amount as of the test date. If the estimated fair value of our wireless licenses was less than the aggregated carrying amount of the wireless licenses then an impairment charge would have been recognized. Our annual quantitative impairment tests for 2012 and 2011 indicated that the fair value significantly exceeded the carrying value and therefore did not result in an impairment.

In 2012 and 2011, using a quantitative assessment, we estimated the fair value of our wireless licenses using a direct income based valuation approach. This approach uses a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the majority and wireless licenses as of the valuation date. As a result we were required to make significant estimates about future cash flows specifically associated with our wireless licenses, an appropriate discount rate based on the risk associated with those estimated cash flows and assumed terminal value and growth rates. We considered

current and expected future economic conditions, current and expected availability of wireless network technology and infrastructure and related equipment and the costs thereof as well as other relevant factors in estimating future cash flows. The discount rate represented our estimate of the weighted-average cost of capital (WACC), or expected return, that a marketplace participant would have required as of the valuation date. We developed the discount rate based on our consideration of the cost of debt and equity of a group of guideline companies as of the valuation date. Accordingly, our discount rate incorporated our estimate of the expected return a marketplace participant would have required as of the valuation date, including the risk premium associated with the current and expected economic conditions as of the valuation date. The terminal value growth rate represented our estimate of the marketplace's long-term growth rate.

Goodwill

At December 31, 2013, the balance of our goodwill was approximately $24.6 billion, of which $18.4 billion was in our Wireless segment and $6.2 billion was in our Wireline segment. Determining whether an impairment has occurred requires the determination of fair value of each respective reporting unit. Our operating segments, Wireless and Wireline, are deemed to be our reporting units for purposes of goodwill impairment testing. The fair value of Wireless significantly exceeded its carrying value and the fair value of Wireline exceeded its carrying value. Accordingly, our annual impairment tests for 2013, 2012 and 2011 did not result in an impairment.

The fair value of the reporting unit is calculated using a market approach and a discounted cash flow method. The market approach includes the use of comparative multiples to corroborate discounted cash flow results. The discounted cash flow method is based on the present value of two components—projected cash flows and a terminal value. The terminal value represents the expected normalized future cash flows of the reporting unit beyond the cash flows from the discrete projection period. The fair value of the reporting unit is calculated based on the sum of the present value of the cash flows from the discrete period and the present value of the terminal value. The estimated cash flows are discounted using a rate that represents our WACC.

- We maintain benefit plans for most of our employees, including, for certain employees, pension and other postretirement benefit plans. At December 31, 2013, in the aggregate, pension plan benefit obligations exceeded the fair value of pension plan assets, which will result in higher future pension plan expense. Other postretirement benefit plans have larger benefit obligations than plan assets, resulting in expense. Significant benefit plan assumptions, including the discount rate used, the long-term rate of return on plan assets and health care trend rates are periodically updated and impact the amount of benefit plan income, expense, assets and obligations. A sensitivity analysis of the impact of changes in these assumptions on the benefit obligations and expense (income) recorded, as well as on the funded status due to an increase or a decrease in the actual versus expected return on plan assets as of December 31, 2013 and for the year then ended pertaining to Verizon's pension and postretirement benefit plans is provided in the table below.

(dollars in millions)	Percentage point change	Increase (decrease) at December 31, 2013*
Pension plans discount rate	+0.50	$ (1,105)
	-0.50	1,224
Rate of return on pension plan assets	+1.00	(166)
	-1.00	166
Postretirement plans discount rate	+0.50	(1,332)
	-0.50	1,486
Rate of return on postretirement plan assets	+1.00	(26)
	-1.00	26
Health care trend rates	+1.00	2,539
	-1.00	(2,086)

* In determining its pension and other postretirement obligation, the Company used a weighted-average discount rate of 5.0%. The rate was selected to approximate the composite interest rates available on a selection of high-quality bonds available in the market at December 31, 2013. The bonds selected had maturities that coincided with the time periods during which benefits payments are expected to occur, were non-callable and available in sufficient quantities to ensure marketability (at least $0.3 billion par outstanding).

- **Our current and deferred income taxes, and associated valuation allowances, are impacted by events and transactions arising in the normal course of business as well as in connection with the adoption of new accounting standards, changes in tax laws and rates, acquisitions and dispositions of businesses and non-recurring items. As a global commercial enterprise, our income tax rate and the classification of income taxes can be affected by many factors, including estimates of the timing and realization of deferred income tax assets and the timing and amount of income tax payments. We account for tax benefits taken or expected to be taken in our tax returns in accordance with the accounting standard relating to the uncertainty in income taxes, which requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return. We review and adjust our liability for unrecognized tax benefits based on our best judgment given the facts, circumstances, and information available at each reporting date. To the extent that the final outcome of these tax positions is different than the amounts recorded, such differences may impact income tax expense and actual tax payments. We recognize any interest and penalties accrued related to unrecognized tax benefits in income tax expense. Actual tax payments may materially differ from estimated liabilities as a result of changes in tax laws as well as unanticipated transactions impacting related income tax balances.**

- **Our Plant, property and equipment balance represents a significant component of our consolidated assets. We record plant, property and equipment at cost. We depreciate plant, property and equipment on a straight-line basis over the estimated useful life of the assets. We expect that a one-year increase in estimated useful lives of our plant, property and equipment would result in a decrease to our 2013 depreciation expense of $1.8 billion and that a one-year decrease would result in an increase of approximately $2.1 billion in our 2013 depreciation expense.**

Recent Accounting Standards

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists was issued. The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. We will adopt this standard update during the first quarter of 2014. We are currently evaluating the consolidated balance sheet impact related to this standard update.

Wireless

Wireless Transaction

On September 2, 2013, Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone and Vodafone 4 Limited (Seller) pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership) and such interest, the Vodafone Interest) for aggregate consideration of approximately $130 billion.

On February 21, 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc., a subsidiary of Seller (VF1 Inc.) which indirectly through certain subsidiaries (together with VF1 Inc., the Purchased Entities) owned the Vodafone Interest. In consideration for the Transferred Shares, upon completion of the Wireless Transaction, Verizon (i) paid approximately $58.89 billion in cash, (ii) issued approximately $60.15 billion of Verizon's common stock, par value $0.10 per share (the Stock Consideration), (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5.0 billion (the Verizon Notes), (iv) sold Verizon's indirectly owned 23.1% interest in Vodafone Omnitel N.V. (Omnitel, and such interest, the Omnitel Interest), valued at $3.8 billion and (v) provided other consideration of approximately $2.5 billion. As a result of the Wireless Transaction, Verizon issued approximately 1.27 billion shares. The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third party indebtedness (see Consolidated Financial Condition).

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted. As a result, we will account for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in Verizon Wireless. Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted will be recognized in equity attributable to Verizon.

Omnitel Transaction

On February 25, 2014, Verizon and Vodafone also implemented the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement. We will recognize a gain on the disposal of the Omnitel interest in the first quarter of 2014.

Verizon Notes

The Verizon Notes were issued pursuant to Verizon's existing indenture. The Verizon Notes were issued in two separate series with $2.5 billion due February 21, 2023 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate which will be reset quarterly, with interest payable quarterly in arrears beginning May 21, 2014. The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.222% and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%. The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. An event of default for either series of the Verizon Notes may result in the acceleration of the entire principal amount of such debt securities of that series. Beginning two years

after the

closing of the Wireless Transaction, Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest. The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods, commencing January 1, 2017. The Verizon Notes held by third parties will not be redeemable. Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable.

Other Consideration

Included in the other consideration paid to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock issued by one of the Purchased Entities. Both the Class D (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares will be classified as liability instruments and will be recorded at fair value as determined at the closing of the Wireless Transaction.

Spectrum License Transactions

Since 2012, we have entered into several strategic spectrum transactions including:

- During the third quarter of 2012, after receiving the required regulatory approvals, Verizon Wireless completed the following previously announced transactions in which we acquired wireless spectrum that will be used to deploy additional 4G LTE capacity:
  - Verizon Wireless acquired AWS spectrum in separate transactions with SpectrumCo and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. Verizon Wireless has also recorded a liability of $0.4 billion related to a three-year service obligation to SpectrumCo's members pursuant to commercial agreements executed concurrently with the SpectrumCo transaction.
  - Verizon Wireless completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA. As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and PCS licenses at fair value and net cash proceeds of $0.2 billion, transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless, and recorded an immaterial gain.
- During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain Advanced Wireless Services (AWS) licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value and recorded an immaterial gain.
- During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.
- During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the FCC and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these agreements, $0.9 billion of Wireless licenses are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013. Upon completion of the transaction, we expect to record an immaterial gain.
- Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.

Other

During 2013, we acquired various other wireless licenses and markets for cash consideration that was not significant. Additionally, we obtained control of previously unconsolidated wireless partnerships which were previously accounted for under the equity method and are now consolidated, which resulted in an immaterial gain. We recorded $0.2 billion of goodwill as a result of these transactions.

Wireline

HUGHES Telematics, Inc.

During July 2012, we acquired HUGHES Telematics for approximately $12 per share in cash for a total acquisition price of $0.6 billion. As a result of the transaction, HUGHES Telematics became a wholly-owned subsidiary of Verizon. The consolidated financial statements include the results of HUGHES Telematics' operations from the date the acquisition closed. Upon closing, we recorded approximately $0.6 billion of goodwill, $0.1 billion of other intangibles, and assumed the debt obligations of HUGHES Telematics which were approximately $0.1 billion as of the date of acquisition, and which were repaid by Verizon. Had this acquisition been completed on January 1, 2012 or 2011, the results of the acquired operations of HUGHES Telematics would not have had a significant impact on the consolidated net income attributable to Verizon. The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers.

The acquisition of HUGHES Telematics was accounted for as a business combination under the acquisition method. The cost of the acquisition was allocated to the assets and liabilities acquired based on their fair values as of the close of the acquisition, with the excess amount being recorded as goodwill.

Terremark Worldwide, Inc.

During April 2011, we acquired Terremark for $19 per share in cash. Closing and other direct acquisition-related costs totaled approximately $13 million after-tax. The acquisition was completed via a tender offer followed by a short-form merger under Delaware law through which Terremark became a wholly-owned subsidiary of Verizon. The acquisition enhanced Verizon's offerings to business and government customers globally.

Other

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Upon closing, we recorded $0.3 billion of goodwill. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. The consolidated financial statements include the results of the operations of each of these acquisitions from the date each acquisition closed.

On January 21, 2014, Verizon announced an agreement to acquire a business dedicated to the development of cloud television products and services for cash consideration that was not significant. The transaction, which was completed in February 2014, is expected to accelerate the availability of next-generation video services.

Regulatory and Competitive Trends

Regulatory and Competitive Landscape

Verizon operates in a regulated and highly competitive market. Current and potential competitors include other voice and data service providers such as other wireless companies, traditional telephone companies, cable companies, Internet service providers, software and application providers and other non-traditional companies. Many of these companies have a strong market presence, brand recognition, and existing customer relationships, all of which contribute to intensifying competition and may affect our future revenue growth. Some of our competitors also are subject to fewer regulatory constraints than Verizon. For many services offered by Verizon, the FCC is our primary regulator. The FCC has jurisdiction over interstate telecommunications services and other matters under the Communications Act of 1934, as amended (Communications Act or Act). Other Verizon services are subject to state and local regulation.

FCC Regulation

Broadband

Verizon offers many different broadband and Internet access services. The FCC has adopted a series of orders that impose lesser regulatory requirements on broadband services than apply to older voice and slower data services. For example, certain facility unbundling requirements that apply to narrowband facilities of traditional telephone companies do not apply to broadband facilities. In addition, the FCC concluded that both wireline and wireless broadband Internet access services qualify as largely deregulated information services. Our broadband Internet access services are subject to various attempts to impose so-called "network neutrality" rules, some of which were affirmed and others vacated on appeal in early 2014. Verizon has been and remains committed to the open Internet which provides consumers with competitive choices and unblocked access to lawful websites and content when, where and how they want. This will not change in light of the court's decision. Our commitment applies to broadband Internet access services provided over both our wireline and wireless networks and can be found on our website at http://responsibility.verizon.com/broadband-commitment.

Video

Verizon offers a multi-channel video service that is regulated like traditional cable service. The FCC has a body of rules that apply to cable operators and these rules also generally apply to Verizon. In addition, the Act generally requires companies to obtain a local cable franchise, and the FCC has adopted rules that interpret and implement this requirement. In areas where Verizon offers its facilities-based multichannel video services, Verizon has typically been required to obtain a franchise from local authorities.

Wireline Voice

Verizon offers many different wireline voice services, including traditional telephone service and other services that rely on newer technologies such as VoIP. For regulatory purposes, legacy telephone services are generally considered to be "common carrier" services. Common carrier services are subject to heightened regulatory oversight with respect to rates, terms and conditions, and other aspects of the services. The FCC has not decided the regulatory classification of VoIP but has said VoIP service providers must comply with certain rules, such as 911 capabilities and law enforcement assistance requirements.

Wireless Services

The FCC regulates several aspects of Verizon Wireless' operations. Generally, the FCC has jurisdiction over the construction, operation, acquisition, and transfer of wireless communications systems. And all wireless services require use of radio frequency spectrum, the assignment and distribution of which is subject to FCC oversight. Verizon Wireless anticipates that it will need additional spectrum to meet future demand. It can meet spectrum needs by purchasing licenses or leasing spectrum from others, or by participating in a competitive bidding process for new spectrum from the FCC. Both processes are subject to certain reviews, approvals, and potential conditions.

Today, Verizon Wireless holds FCC spectrum licenses that allow it to provide a wide range of mobile and fixed communications services, including both voice and data services. FCC spectrum licenses typically have a term of 10 years, at which time they are subject to renewal. While the FCC has routinely renewed all of Verizon Wireless' licenses, challenges could be raised in the future. If a wireless license were revoked or not renewed, Verizon Wireless would not be permitted to provide services on the spectrum. Some of our licenses require us to comply with so-called "open access" FCC regulations which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice, subject to certain technical limitations. The FCC has also imposed certain specific mandates on wireless carriers including construction and geographic coverage requirements, technical operating standards, provision of enhanced 911 services, roaming obligations, and requirements for wireless tower and antenna facilities.

The Communications Act imposes restrictions on foreign ownership of U.S. wireless systems. The FCC has approved the foreign ownership in Verizon that has resulted from the Wireless Transaction. In addition, Verizon Wireless, Verizon and Vodafone entered into an agreement with the federal government that imposes national security and law enforcement-related obligations on the ways in which Verizon Wireless stores information and otherwise conducts its business.

Intercarrier Compensation and Network Access

The FCC regulates some of the rates that carriers pay each other for the exchange voice traffic (particularly traditional wireline traffic) over different networks and other aspects of interconnection for some voice services. In many instances, Verizon makes payments to other providers, and in turn Verizon receives some payments from other carriers. In 2011, the FCC issued a broad reform order changing, among other things, the framework for many of the per-minute rates that carriers charge each other for the exchange of voice traffic. The new rules gradually reduce many of these rates to zero. This order is subject to pending reconsideration petitions and appeals. The FCC also regulates some of the rates and terms and conditions for certain wireline "special access" and other services and network facilities. Verizon is both a seller and a buyer of these services. For example, on the wireline side Verizon sells wholesale circuits to other voice and data service providers. On the wireless side, Verizon purchases special access and other services to transport traffic to and from cell towers. In addition, as required by the Act, Verizon unbundles certain wireline network elements and makes these facilities and services available to other network providers.

Universal Service

The Communications Act charges the FCC with ensuring that certain groups and areas have access to communications services, including rural and other high-cost areas, low income subscribers, schools and libraries, rural health-care organizations, and deaf and hard-of-hearing individuals. The FCC established different subsidy and discount programs to achieve these goals. To pay for these programs, the FCC requires contributions from providers such as Verizon based on reported revenues for certain services. Verizon also receives some payments from some of these programs but is a net payer into them.

State Regulation and Local Regulation

Wireline Services

State public utility commissions regulate Verizon's telephone operations with respect to certain telecommunications intrastate matters. Verizon operates as an "incumbent local exchange carrier" in 14 states. These incumbent operations are subject to various levels of pricing flexibility and other state oversight and requirements. Verizon also has other wireline operations that are more lightly regulated. In addition, as a video services operator in many states, Verizon has been required to obtain a cable franchise from local government entities, or in some cases a state-wide franchise, and to comply with certain one-time and ongoing obligations as a result.

Wireless Services

The Communications Act generally preempts regulation by state and local governments of the entry of, or the rates charged by, wireless carriers. The Act does not prohibit states from regulating the other "terms and conditions" of wireless service. For example, some states attempt to regulate wireless customer billing matters and impose reporting requirements. Several states also have laws or regulations that address safety issues (e.g., use of wireless handsets while driving) and taxation matters. In addition, wireless tower and antenna facilities are often subject to state and local zoning and land use regulation, and securing approvals for new or modified facilities is often a lengthy and expensive process.

Environmental Matters

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s. Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted. A reassessment of costs related to remediation efforts at several other former facilities was also undertaken. In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program. This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon. To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made. Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation.

In this report we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, along with those discussed elsewhere in this report and in other filings with the Securities and Exchange Commission (SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements:

- the ability to realize the expected benefits of the Wireless Transaction in the timeframe expected or at all,
- an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing,
- significantly increased levels of indebtedness as a result of the Wireless Transaction,
- changes in tax laws or treaties, or in their interpretation,
- adverse conditions in the U.S. and international economies,
- material adverse changes in labor matters, including labor negotiations and any resulting financial and/or operational impact,
- material changes in technology or technology substitution,
- disruption of our key suppliers' provisioning of products or services,
- changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks,
- breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance,
- the effects of competition in the markets in which we operate,
- changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings,
- significant increases in benefit plan costs or lower investment returns on plan assets, and
- the inability to implement our business strategies.

We, the management of Verizon Communications Inc., are responsible for establishing and maintaining adequate internal control over financial reporting of the company. Management has evaluated internal control over financial reporting of the company using the criteria for effective internal control established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992.

Management has assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2013. Based on this assessment, we believe that the internal control over financial reporting of the company is effective as of December 31, 2013. In connection with this assessment, there were no material weaknesses in the company's internal control over financial reporting identified by management.

The company's financial statements included in this Annual Report have been audited by Ernst & Young LLP, independent registered public accounting firm. Ernst & Young LLP has also provided an attestation report on the company's internal control over financial reporting.

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President and Chief Financial Officer

/s/ Anthony T. Skiadas
Anthony T. Skiadas
Senior Vice President and Controller

Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited Verizon Communications Inc. and subsidiaries' (Verizon) internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992 (1992 framework) (the COSO criteria). Verizon's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Verizon maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Verizon as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013 of Verizon, and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York

February 27, 2014

Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited the accompanying consolidated balance sheets of Verizon Communications Inc. and subsidiaries (Verizon) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of Verizon's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Verizon at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013 in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Verizon's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York

February 27, 2014

(dollars in millions except per share amounts)

Years Ended December 31,	2013	2012	2011
Operating Revenues	$ 120,550	$ 115,846	$ 110,875
Operating Expenses			
Cost of services and sales (exclusive of items shown below)	44,887	46,275	45,875
Selling, general and administrative expense	27,089	39,951	35,624
Depreciation and amortization expense	16,606	16,460	16,496
Total Operating Expenses	88,582	102,686	97,995
Operating Income	31,968	13,160	12,880
Equity in earnings of unconsolidated businesses	142	324	444
Other income and (expense), net	(166)	(1,016)	(14)
Interest expense	(2,667)	(2,571)	(2,827)
Income Before (Provision) Benefit For Income Taxes	29,277	9,897	10,483
(Provision) Benefit for income taxes	(5,730)	660	(285)
Net Income	$ 23,547	$ 10,557	$ 10,198
Net income attributable to noncontrolling interests	$ 12,050	$ 9,682	$ 7,794
Net income attributable to Verizon	11,497	875	2,404
Net Income	$ 23,547	$ 10,557	$ 10,198
Basic Earnings Per Common Share			
Net income attributable to Verizon	$ 4.01	$ 31	$ 85
Weighted-average shares outstanding (in millions)	2,866	2,853	2,833
Diluted Earnings Per Common Share			
Net income attributable to Verizon	$ 4.00	$ 31	$ 85
Weighted-average shares outstanding (in millions)	2,874	2,862	2,839

See Notes to Consolidated Financial Statements

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Net Income	$ 23,547	$ 10,557	$ 10,198
Other Comprehensive Income, net of taxes			
Foreign currency translation adjustments	60	69	(119)
Unrealized gain (loss) on cash flow hedges	25	(68)	30
Unrealized gain (loss) on marketable securities	16	29	(7)
Defined benefit pension and postretirement plans	22	936	316
Other comprehensive income attributable to Verizon	123	966	220
Other comprehensive income (loss) attributable to noncontrolling interests	(15)	10	1
Total Comprehensive Income	$ 23,655	$ 11,533	$ 10,419
Comprehensive income attributable to noncontrolling interests	12,035	9,692	7,795
Comprehensive income attributable to Verizon	11,620	1,841	2,624
Total Comprehensive Income	$ 23,655	$ 11,533	$ 10,419

See Notes to Consolidated Financial Statements

(dollars in millions, except per share amounts)

At December 31,	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 53,528	$ 3,093
Short-term investments	601	470
Accounts receivable, net of allowances of $645 and $641	12,439	12,576
Inventories	1,020	1,075
Prepaid expenses and other	3,406	4,021
Total current assets	70,994	21,235
Plant, property and equipment	220,865	209,575
Less accumulated depreciation	131,909	120,933
	88,956	88,642
Investments in unconsolidated businesses	3,432	3,401
Wireless licenses	75,747	77,744
Goodwill	24,634	24,139
Other intangible assets, net	5,800	5,933
Other assets	4,535	4,128
Total assets	$ 274,098	$ 225,222
Liabilities and Equity		
Current liabilities		
Debt maturing within one year	$ 3,933	$ 4,166
Accounts payable and accrued liabilities	16,453	16,182
Other	6,664	6,605
Total current liabilities	27,050	26,956
Long-term debt	89,658	47,618
Employee benefit obligations	27,682	34,546
Deferred income taxes	28,639	24,677
Other liabilities	5,653	6,092
Equity		
Series preferred stock ($.10 par value, none issued)	–	–
Common stock ($.10 par value 2,967,010,119 shares issued in both periods)	297	297
Contributed capital	37,939	37,940
Reinvested earnings (Accumulated deficit)	1,782	(3,734)
Accumulated other comprehensive income	2,358	2,236
Common stock in treasury, at cost	(3,961)	(4,071)
Deferred compensation – employee stock ownership plans and other	421	440
Noncontrolling interests	56,580	52,376
Total equity	95,416	85,533
Total liabilities and equity	$ 274,098	$ 225,222

See Notes to Consolidated Financial Statements

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Cash Flows from Operating Activities			
Net Income	$ 23,547	$ 10,557	$ 10,198
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization expense	16,606	16,460	16,496
Employee retirement benefits	(5,052)	8,198	7,426
Deferred income taxes	5,785	(952)	(223)
Provision for uncollectible accounts	993	972	1,026
Equity in earnings of unconsolidated businesses, net of dividends received	(102)	77	36
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses			
Accounts receivable	(843)	(1,717)	(968)
Inventories	56	(136)	208
Other assets	(133)	306	86
Accounts payable and accrued liabilities	925	1,144	*(1,607)*
Other, net	(2,954)	(3,223)	(2,900)
Net cash provided by operating activities	38,818	31,486	29,780
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(16,604)	(16,175)	(16,244)
Acquisitions of investments and businesses, net of cash acquired	(494)	(933)	(1,797)
Acquisitions of wireless licenses	(580)	(4,296)	(221)
Proceeds from dispositions of wireless licenses	2,111	363	–
Net change in short-term investments	63	27	35
Other, net	671	494	977
Net cash used in investing activities	(14,833)	(20,502)	(17,250)
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	49,166	1,489	11,060
Repayments of long-term borrowings and capital lease obligations	*(8,163)*	*(6,403)*	*(11,805)*
Decrease in short-term obligations, excluding current maturities	(142)	(1,437)	1,928
Dividends paid	(5,936)	(5,230)	(5,555)
Proceeds from sale of common stock	85	315	241
Purchase of common stock for treasury	(153)	–	–
Special distribution to noncontrolling interest	(3,150)	(8,325)	–
Other, net	(5,257)	(4,662)	(1,705)
Net cash provided by (used in) financing activities	26,450	(24,253)	(5,836)
Increase (decrease) in cash and cash equivalents	50,435	(13,269)	6,694
Cash and cash equivalents, beginning of period	3,093	16,362	9,668
Cash and cash equivalents, end of period	$ 53,528	$ 3,093	$ 16,362

See Notes to Consolidated Financial Statements

(dollars in millions except per share amounts, and shares in thousands)

Years Ended December 31	2013		2012		2011	
	Shares	Amount	Shares	Amount	Shares	Amount
Common Stock						
Balance at beginning of year	2,967,610	$ 297	2,967,610	$ 297	2,967,610	$ 297
Balance at end of year	2,967,610	297	2,967,610	297	2,967,610	297
Contributed Capital						
Balance at beginning of year		37,990		37,919		37,922
Other		(51)		71		(3)
Balance at end of year		37,939		37,990		37,919
Reinvested Earnings (Accumulated Deficit)						
Balance at beginning of year		(3,734)		1 179		4 368
Net income attributable to Verizon		11,497		875		2 404
Dividends declared ($2 09 $2 03 $1 975) per share		(5,981)		(5,788)		(5,593)
Balance at end of year		1,782		(3,734)		1 179
Accumulated Other Comprehensive Income						
Balance at beginning of year attributable to Verizon		2,235		1,269		1,049
Foreign currency translation adjustments		60		69		(119)
Unrealized gains (losses) on cash flow hedges		25		(68)		30
Unrealized gains (losses) on marketable securities		16		29		(7)
Defined benefit pension and postretirement plans		22		936		316
Other comprehensive income		123		966		220
Balance at end of year attributable to Verizon		2,358		2,235		1 269
Treasury Stock						
Balance at beginning of year	(109,041)	(4,071)	(133,594)	(5,002)	(140,587)	(5,267)
Shares purchased	(3,500)	(153)	--	--	--	--
Employee plans (Note 15)	6,835	260	11,434	433	6,982	265
Shareowner plans (Note 15)	96	3	13,119	498	11	--
Balance at end of year	(105,610)	(3,961)	(109,041)	(4,071)	(133,594)	(5,002)
Deferred Compensation-ESOPs and Other						
Balance at beginning of year		440		308		200
Restricted stock equity grant		152		196		146
Amortization		(171)		(64)		(38)
Balance at end of year		421		440		308
Noncontrolling Interests						
Balance at beginning of year		52,376		49,938		48,343
Net income attributable to noncontrolling interests		12,050		9,682		7,794
Other comprehensive income (loss)		(15)		10		1
Total comprehensive income		12,035		9,692		7,795
Distributions and other		(7,831)		(7,254)		(6,200)
Balance at end of year		56,580		52,376		49,938
Total Equity		$95,416		$ 85,533		$ 85,908

See Notes to Consolidated Financial Statements

Description of Business and Summary of Significant Accounting Policies

Description of Business

Verizon Communications Inc. (Verizon or the Company) is a holding company, which acting through its subsidiaries is one of the world's leading providers of communications, information and entertainment products and services to consumers, businesses and governmental agencies with a presence in over 150 countries around the world. We have two reportable segments, Wireless and Wireline. For further information concerning our business segments, see Note 13.

The Wireless segment provides wireless communications services across one of the most extensive wireless networks in the United States (U.S.) and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and third-generation (3G) networks of any U.S. wireless service provider.

The Wireline segment provides voice, data and video communications products and enhanced services including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

Consolidation

The method of accounting applied to investments, whether consolidated, equity or cost, involves an evaluation of all significant terms of the investments that explicitly grant or suggest evidence of control or influence over the operations of the investee. The consolidated financial statements include our controlled subsidiaries. For controlled subsidiaries that are not wholly-owned, the noncontrolling interests are included in Net income and Total equity. Investments in businesses which we do not control, but have the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. Investments in which we do not have the ability to exercise significant influence over operating and financial policies are accounted for under the cost method. Equity and cost method investments are included in Investments in unconsolidated businesses in our consolidated balance sheets. Certain of our cost method investments are classified as available-for-sale securities and adjusted to fair value pursuant to the accounting standard related to debt and equity securities. All significant intercompany accounts and transactions have been eliminated.

Basis of Presentation

We have reclassified certain prior year amounts to conform to the current year presentation.

Use of Estimates

We prepare our financial statements using U.S. generally accepted accounting principles (GAAP), which require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Examples of significant estimates include: the allowance for doubtful accounts; the recoverability of plant, property and equipment; the recoverability of intangible assets and other long-lived assets; unbilled revenues; fair values of financial instruments; unrecognized tax benefits; valuation allowances on tax assets; accrued expenses; pension and postretirement benefit assumptions; contingencies; and allocation of purchase prices in connection with business combinations.

Revenue Recognition

Multiple Deliverable Arrangements

In both our Wireless and Wireline segments, we offer products and services to our customers through bundled arrangements. These arrangements involve multiple deliverables which may include products, services, or a combination of products and services.

Wireless

Our Wireless segment earns revenue primarily by providing access to and usage of its network. In general, access revenue is billed one month in advance and recognized when earned. Usage revenue is generally billed in arrears and recognized when service is rendered. Equipment sales revenue associated with the sale of wireless handsets and accessories is recognized when the products are delivered to and accepted by the customer, as this is considered to be a separate earnings process from providing wireless services. For agreements involving the resale of third-party services in which we are considered the primary obligor in the arrangements, we record the revenue gross at the time of the sale. For equipment sales, we generally subsidize the cost of wireless devices. The amount of this subsidy is generally contingent on the arrangement and terms selected by the customer. In multiple deliverable arrangements which involve the sale of equipment and a service contract, the equipment revenue is recognized up to the amount collected when the wireless device is sold.

Wireline

Our Wireline segment earns revenue based upon usage of its network and facilities and contract fees. In general, fixed monthly fees for voice, video, data and certain other services are billed one month in advance and recognized when earned. Revenue from services that are not fixed in amount and are based on usage is generally billed in arrears and recognized when service is rendered.

We sell each of the services offered in bundled arrangements (i.e., voice, video and data) as well as separately, therefore each product or service has a standalone selling price. For these arrangements, revenue is allocated to each deliverable using a relative selling price method. Under this method, arrangement consideration is allocated to each separate deliverable based on our standalone selling price for each product or service. These services include FiOS services individually or in bundles and High Speed Internet.

When we bundle equipment with maintenance and monitoring services, we recognize equipment revenue when the equipment is installed in accordance with contractual specifications and ready for the customer's use. The maintenance and monitoring services are recognized monthly over the term of the contract as we provide the services.

Installation related fees, along with the associated costs up to but not exceeding these fees, are deferred and amortized over the estimated customer relationship period.

For each of our segments, we report taxes imposed by governmental authorities on revenue-producing transactions between us and our customers on a net basis.

Maintenance and Repairs

We charge the cost of maintenance and repairs, including the cost of replacing minor items not constituting substantial betterments, principally to Cost of services and sales as these costs are incurred.

Advertising Costs

Costs for advertising products and services as well as other promotional and sponsorship costs are charged to Selling, general and administrative expense in the periods in which they are incurred (see Note 15).

Earnings Per Common Share

Basic earnings per common share are based on the weighted-average number of shares outstanding during the period. Where appropriate, diluted earnings per common share include the dilutive effect of shares issuable under our stock-based compensation plans.

There were a total of approximately 8 million, 9 million and 6 million stock options and restricted stock units outstanding included in the computation of diluted earnings per common share for the years ended December 31, 2013, 2012 and 2011, respectively. Outstanding options to purchase shares that were not included in the computation of diluted earnings per common share because to do so would have been anti-dilutive for the period were not significant for the years ended December 31, 2013 and 2012, respectively, and included approximately 19 million weighted-average shares for the years ended December 31, 2011.

As of December 31, 2013, we were authorized to issue up to 4.25 billion and 250 million shares of common stock and Series Preferred Stock, respectively. On January 28, 2014, at a special meeting of our shareholders, we received shareholder approval to increase our authorized shares of common stock by 2 billion shares to an aggregate of 6.25 billion authorized shares of common stock. On February 4, 2014, this authorization became effective.

Cash and Cash Equivalents

We consider all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates quoted market value, and include amounts held in money market funds.

Marketable Securities

We have investments in marketable securities which are considered "available-for-sale" under the provisions of the accounting standard for certain debt and equity securities, and are included in the accompanying consolidated balance sheets in Short-term investments, Investments in unconsolidated businesses or Other assets. We continually evaluate our investments in marketable securities for impairment due to declines in market value considered to be other-than-temporary. That evaluation includes, in addition to persistent declining stock prices, general economic and company-specific evaluations. In the event of a determination that a decline in market value is other-than-temporary, a charge to earnings is recorded for the loss, and a new cost basis in the investment is established.

Inventories

Inventory consists of wireless and wireline equipment held for sale, which is carried at the lower of cost (determined principally on either an average cost or first-in, first-out basis) or market.

Plant and Depreciation

We record plant, property and equipment at cost. Plant, property and equipment of wireline and wireless operations are generally depreciated on a straight-line basis.

Leasehold improvements are amortized over the shorter of the estimated life of the improvement or the remaining term of the related lease, calculated from the time the asset was placed in service.

When the depreciable assets of our wireline and wireless operations are retired or otherwise disposed of, the related cost and accumulated depreciation are deducted from the plant accounts, and any gains or losses on disposition are recognized in income.

We capitalize and depreciate network software purchased or developed along with related plant assets. We also capitalize interest associated with the acquisition or construction of network-related assets. Capitalized interest is reported as a reduction in interest expense and depreciated as part of the cost of the network-related assets.

In connection with our ongoing review of the estimated remaining average useful lives of plant, property and equipment at our local telephone operations, we determined that there were no changes necessary to average useful lives for 2013, 2012 and 2011. In connection with our ongoing review of the estimated remaining average useful lives of plant, property and equipment at our wireless operations, we determined that changes were necessary to the remaining estimated useful lives as a result of technology upgrades, enhancements, and planned retirements. These changes resulted in an increase in depreciation expense of $0.4 billion in 2011. While the timing and extent of current deployment plans are subject to ongoing analysis and modification, we believe the current estimates of useful lives are reasonable.

Computer Software Costs

We capitalize the cost of internal-use network and non-network software that has a useful life in excess of one year. Subsequent additions, modifications or upgrades to internal-use network and non-network software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Planning, software maintenance and training costs are expensed in the period in which they are incurred. Also, we capitalize interest associated with the development of internal-use network and non-network software. Capitalized non-network internal-use software costs are amortized using the straight-line method over a period of 3 to 7 years and are included in Other intangible assets, net in our consolidated balance sheets. For a discussion of our impairment policy for capitalized software costs, see "Goodwill and Other Intangible Assets" below. Also, see Note 3 for additional detail of internal-use non-network software reflected in our consolidated balance sheets.

Goodwill and Other Intangible Assets

Goodwill

Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. Impairment testing for goodwill is performed annually in the fourth fiscal quarter or more frequently if impairment indicators are present. The Company has the option to perform a qualitative assessment to determine if the fair value of the entity is less than its carrying value. However, the Company may elect to perform an impairment test even if no indications of a potential impairment exist. The impairment test for goodwill uses a two-step approach, which is performed at the reporting unit level. We have determined that in our case, the reporting units are our operating segments since that is the lowest level at which discrete, reliable financial and cash flow information is available. Step one compares the fair value of the reporting unit (calculated using a market approach and/or a discounted cash flow method) to its carrying value. If the carrying value exceeds the fair value, there is a potential impairment and step two must be performed. Step two compares the carrying value of the reporting unit's goodwill to its implied fair value (i.e., fair value of reporting unit less the fair value of the unit's assets and liabilities, including identifiable intangible assets). If the implied fair value of goodwill is less than the carrying amount of goodwill, an impairment is recognized.

Intangible Assets Not Subject to Amortization

A significant portion of our intangible assets are wireless licenses that provide our wireless operations with the exclusive right to utilize designated radio frequency spectrum to provide wireless communication services. While licenses are issued for only a fixed time, generally ten years, such licenses are subject to renewal by the Federal Communications Commission (FCC). License renewals have occurred routinely and at nominal cost. Moreover, we have determined that there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our wireless licenses. As a result, we treat the wireless licenses as an indefinite-lived intangible asset. We reevaluate the useful life determination for wireless licenses each year to determine whether events and circumstances continue to support an indefinite useful life.

We test our wireless licenses for potential impairment annually. In 2013, we performed a qualitative assessment to determine whether it is more likely than not that the fair value of our wireless licenses was less than the carrying amount. As part of our assessment, we considered several qualitative factors, including the business enterprise value of Wireless, macroeconomic conditions (including changes in interest rates and discount rates), industry and market considerations (including industry revenue and EBITDA (Earnings before interest, taxes, depreciation and amortization) margin projections), the projected financial performance of Wireless, as well as other factors. In 2012 and 2011, our quantitative assessment consisted of comparing the estimated fair value of our wireless licenses to the aggregated carrying amount as of the test date. Using the quantitative assessment, we evaluated our licenses on an aggregate basis using a direct value approach. The direct value approach estimates fair value using a discounted cash flow analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date. If the fair value of the aggregated wireless licenses is less than the aggregated carrying amount of the licenses, an impairment is recognized.

Interest expense incurred while qualifying activities are performed to ready wireless licenses for their intended use is capitalized as part of wireless licenses. The capitalization period ends when the development is discontinued or substantially complete and the license is ready for its intended use.

Intangible Assets Subject to Amortization and Long-Lived Assets

Our intangible assets that do not have indefinite lives (primarily customer lists and non-network internal-use software) are amortized over their estimated useful lives. All of our intangible assets subject to amortization and long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. *If any indications were present, we would test for recoverability by comparing the carrying amount of the asset group* to the net undiscounted cash flows expected to be generated from the asset group. If those net undiscounted cash flows do not exceed the carrying amount, we would perform the next step, which is to determine the fair value of the asset and record an impairment, if any. We reevaluate the useful life determinations for these intangible assets each year to determine whether events and circumstances warrant a revision in their remaining useful lives.

For information related to the carrying amount of goodwill by segment, wireless licenses and other intangible assets, as well as the major components and average useful lives of our other acquired intangible assets, see Note 3.

Fair Value Measurements

Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.
Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities.
Level 3—No observable pricing inputs in the market.

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Income Taxes

Our effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations and tax planning strategies available to us in the various jurisdictions in which we operate.

Deferred income taxes are provided for temporary differences in the bases between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at tax rates then in effect. We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized.

We use a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return The first step is recognition we determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information The second step is measurement a tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in one or more of the following an increase in a liability for income taxes payable, a reduction of an income tax refund receivable, a reduction in a deferred tax asset, or an increase in a deferred tax liability

The accounting standard relating to income taxes generated by leveraged lease transactions requires that changes in the projected timing of income tax cash flows generated by a leveraged lease transaction be recognized as a gain or loss in the year in which the change occurs

Significant management judgment is required in evaluating our tax positions and in determining our effective tax rate

Stock-Based Compensation

We measure and recognize compensation expense for all stock-based compensation awards made to employees and directors based on estimated fair values See Note 10 for further details

Foreign Currency Translation

The functional currency of our foreign operations is generally the local currency For these foreign entities, we translate income statement amounts at average exchange rates for the period, and we translate assets and liabilities at end-of-period exchange rates We record these translation adjustments in Accumulated other comprehensive income, a separate component of Equity in our consolidated balance sheets We report exchange gains and losses on intercompany foreign currency transactions of a long-term nature in Accumulated other comprehensive income Other exchange gains and losses are reported in income

Employee Benefit Plans

Pension and postretirement health care and life insurance benefits earned during the year as well as interest on projected benefit obligations are accrued currently Prior service costs and credits resulting from changes in plan benefits are generally amortized over the average remaining service period of the employees expected to receive benefits Expected return on plan assets is determined by applying the return on assets assumption to the actual fair value of plan assets Actuarial gains and losses are recognized in operating results in the year in which they occur These gains and losses are measured annually as of December 31 or upon a remeasurement event Verizon management employees no longer earn pension benefits or earn service towards the company retiree medical subsidy (see Note 11)

We recognize a pension or a postretirement plan's funded status as either an asset or liability on the consolidated balance sheets Also, we measure any unrecognized prior service costs and credits that arise during the period as a component of Accumulated other comprehensive income, net of applicable income tax

Derivative Instruments

We have entered into derivative transactions primarily to manage our exposure to fluctuations in foreign currency exchange rates, interest rates equity and commodity prices We employ risk management strategies, which may include the use of a variety of derivatives including cross currency swaps foreign currency and prepaid forwards and collars interest rate and commodity swap agreements and interest rate locks We do not hold derivatives for trading purposes

We measure all derivatives including derivatives embedded in other financial instruments at fair value and recognize them as either assets or liabilities on our consolidated balance sheets Our derivative instruments are valued primarily using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified as Level 2 Changes in the fair values of derivative instruments not qualifying as hedges or any ineffective portion of hedges are recognized in earnings in the current period Changes in the fair values of derivative instruments used effectively as fair value hedges are recognized in earnings, along with changes in the fair value of the hedged item Changes in the fair value of the effective portions of cash flow hedges are reported in Other comprehensive income and recognized in earnings when the hedged item is recognized in earnings

Recently Adopted Accounting Standards

During the first quarter of 2013, we adopted the accounting standard update regarding testing of intangible assets for impairment This standard update allows companies the option to perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not the asset is impaired The adoption of this standard update did not have an impact on our consolidated financial statements

During the first quarter of 2013, we adopted the accounting standard update regarding reclassifications out of Accumulated other comprehensive income This standard update requires companies to report the effect of significant reclassifications out of Accumulated other comprehensive income on the respective line items in our consolidated statements of income if the amount being reclassified is required to be reclassified in its entirety to net income For other amounts that are not required to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference to other required disclosures that provide additional detail about those amounts See Note 14 for additional details

During the third quarter of 2013 we adopted the accounting standard update regarding the ability to use the Federal Funds Effective Swap Rate as a U.S. benchmark interest rate for hedge accounting purposes Previously the interest rates on direct Treasury obligations of the U.S. government and the London Interbank Offered Rate (LIBOR) were considered to be the only benchmark interest rates The adoption of this standard update did not have a significant impact on our consolidated financial statements

Recent Accounting Standards

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists was issued The standard update provides that a liability related to an unrecognized tax benefit should be offset against same jurisdiction deferred tax assets for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed We will adopt this standard update during the first quarter of 2014 We are currently evaluating the consolidated balance sheet impact related to this standard update

Acquisitions and Divestitures

Wireless

Wireless Transaction

On September 2, 2013 Verizon entered into a stock purchase agreement (the Stock Purchase Agreement) with Vodafone Group Plc (Vodafone) and Vodafone 4 Limited (Seller), pursuant to which Verizon agreed to acquire Vodafone's indirect 45% interest in Cellco Partnership d/b/a Verizon Wireless (the Partnership, and such interest the Vodafone Interest) for aggregate consideration of approximately $130 billion

On February 21 2014, pursuant to the terms and subject to the conditions set forth in the Stock Purchase Agreement, Verizon acquired (the Wireless Transaction) from Seller all of the issued and outstanding capital stock (the Transferred Shares) of Vodafone Americas Finance 1 Inc a subsidiary of Seller (VF1 Inc) which indirectly through certain subsidiaries (together with VF1 Inc the Purchased Entities) owned the Vodafone Interest In consideration for the Transferred Shares upon completion of the Wireless Transaction, Verizon (i) paid approximately $58 89 billion in cash (ii) issued approximately $60 15 billion of Verizon's common stock par value $0 10 per share (the Stock Consideration) (iii) issued senior unsecured Verizon notes in an aggregate principal amount of $5 0 billion (the Verizon Notes) (iv) sold Verizon's indirectly owned 23 1% interest in Vodafone Omnitel N V (Omnitel, and such interest the Omnitel Interest) valued at $3 5 billion and (v) provided other consideration of approximately $2 5 billion As a result of the Wireless Transaction Verizon issued approximately 1 27 billion shares The total cash paid to Vodafone and the other costs of the Wireless Transaction, including financing, legal and bank fees were financed through the incurrence of third-party indebtedness See Note 8 for additional information

In accordance with the accounting standard on consolidation, a change in a parent's ownership interest while the parent retains a controlling financial interest in its subsidiary is accounted for as an equity transaction and remeasurement of assets and liabilities of previously controlled and consolidated subsidiaries is not permitted As a result, we will account for the Wireless Transaction by adjusting the carrying amount of the noncontrolling interest to reflect the change in Verizon's ownership interest in Verizon Wireless Any difference between the fair value of the consideration paid and the amount by which the noncontrolling interest is adjusted will be recognized in equity attributable to Verizon

Omnitel Transaction

On February 21, 2014, Verizon and Vodafone also implemented the sale of the Omnitel Interest (the Omnitel Transaction) by a subsidiary of Verizon to a subsidiary of Vodafone in connection with the Wireless Transaction pursuant to a separate share purchase agreement We will recognize a gain on the disposal of the Omnitel interest in the first quarter of 2014

Verizon Notes

The Verizon Notes were issued pursuant to Verizon's existing indenture The Verizon Notes were issued in two separate series, with $2 5 billion due February 21 2022 and $2 5 billion due February 21 2025 The Verizon Notes bear interest at a floating rate which will be reset quarterly with interest payable quarterly in arrears beginning May 21, 2014 The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR plus 1 222% and the eleven year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1 372% The indenture that governs the Verizon Notes contains certain negative covenants, including a negative pledge covenant and a merger or similar transaction covenant affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating An event of default for either series of the Verizon Notes may result in acceleration of the entire principal amount of all debt securities of that series Beginning two years after the closing of the Wireless Transaction Verizon may redeem all or any portion of the outstanding Verizon Notes held by Vodafone or any of its affiliates for a redemption price of 100% of the principal amount plus accrued and unpaid interest The Verizon Notes may only be transferred by Vodafone to third parties in specified amounts during specified periods commencing January 1, 2017 The Verizon Notes held by third parties will not be redeemable Verizon has agreed to file a registration statement with respect to the Verizon Notes at least three months prior to the Verizon Notes becoming transferable

Other Consideration

Included in the other consideration paid to Vodafone is the indirect assumption of long-term obligations with respect to 5.143% Class D and Class E cumulative preferred stock (Preferred Stock) issued by one of the Purchased Entities. Both the Class D (825,000 shares outstanding) and Class E shares (825,000 shares outstanding) are mandatorily redeemable in April 2020 at $1,000 per share plus any accrued and unpaid dividends. Dividends accrue at 5.143% per annum and will be treated as interest expense. Both the Class D and Class E shares will be classified as liability instruments and will be recorded at fair value as determined at the closing of the Wireless Transaction.

Pro Forma Information

The unaudited pro forma information presents the combined operating results of Verizon and the Vodafone Interest, with the results prior to the Wireless Transaction closing date adjusted to include the pro forma impact of: the elimination of the historical equity in earnings, net of tax, related to the investment in Omnitel; an adjustment to reflect interest expense associated with the additional indebtedness incurred and expected to be incurred in connection with the Wireless Transaction and outstanding as of the closing of the Wireless Transaction; an adjustment for the dividends on the Preferred Stock; an adjustment for the amortization of certain debt incurrence costs based on the contractual life of the underlying indebtedness; an adjustment to reflect changes in the provision for income taxes associated with the additional income attributable to Verizon and the benefit associated with the additional interest expense; the elimination of the historical net income attributable to noncontrolling interests representing the noncontrolling interest in Verizon Wireless; and an adjustment to reflect the sum of all other adjustments to the pro forma condensed consolidated statements of income on net income attributable to Verizon.

The unaudited pro forma results are presented for illustrative purposes only. These pro forma results do not purport to be indicative of the results that would have actually been obtained if the Wireless Transaction had occurred as of January 1, 2012, nor does the pro forma data intend to be a projection of results that may be obtained in the future.

The following unaudited pro forma consolidated results of operations assume that the Wireless Transaction was completed as of January 1, 2012:

	(dollars in millions)	
Years ended December 31,	2013	2012
Net income attributable to Verizon	$ 17,058	$ 4,449

Spectrum License Transactions

Since 2012, we have entered into several strategic spectrum transactions including:

- During the third quarter of 2012, after receiving the required regulatory approvals, Verizon Wireless completed the following previously announced transactions in which we acquired wireless spectrum that will be used to deploy additional 4G LTE capacity:
  - Verizon Wireless acquired Advanced Wireless Services (AWS) spectrum in separate transactions with SpectrumCo and Cox TMI Wireless, LLC for which it paid an aggregate of $3.9 billion at the time of the closings. Verizon Wireless has also recorded a liability of $0.4 billion related to a three-year service obligation to SpectrumCo's members pursuant to commercial agreements executed concurrently with the SpectrumCo transaction.
  - Verizon Wireless completed license purchase and exchange transactions with Leap Wireless, Savary Island Wireless, which is majority owned by Leap Wireless, and a subsidiary of T-Mobile USA Inc. (T-Mobile USA). As a result of these transactions, Verizon Wireless received an aggregate $2.6 billion of AWS and Personal Communication Services (PCS) licenses at fair value and net cash proceeds of $0.2 billion, transferred certain AWS licenses to T-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless, and recorded an immaterial gain.
- During the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cricket License Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses. These non-cash exchanges include a number of intra-market swaps that we expect will enable Verizon Wireless to make more efficient use of the AWS band. As a result of these exchanges, we received an aggregate $0.5 billion of AWS licenses at fair value and recorded an immaterial gain.
- During the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T Inc. (AT&T) in exchange for a payment of $1.9 billion and the transfer by AT&T to Verizon Wireless of AWS (10 MHz) licenses in certain markets in the western United States. Verizon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of $0.2 billion. As a result, we received $0.5 billion of AWS licenses at fair value and we recorded a pre-tax gain of approximately $0.3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31, 2013.
- During the fourth quarter of 2013, we entered into license exchange agreements with T-Mobile USA to exchange certain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the FCC and other customary closing conditions, are expected to close in the first half of 2014. The exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands. As a result of these agreements, $0.9 billion of Wireless licenses are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013. Upon completion of the transaction, we expect to record an immaterial gain.
- Subsequent to the transaction with T-Mobile USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 MHz A block spectrum licenses. Under one agreement, we will sell certain of these licenses to T-Mobile USA in exchange for cash consideration of approximately $2.4 billion, and under the second agreement we will exchange the remainder of these licenses for AWS and PCS spectrum licenses. These transactions are subject to the approval of the FCC as well as other customary closing conditions. These transactions are expected to close in the middle of 2014.

Other

During 2013, we acquired various other wireless licenses and markets for cash consideration that was not significant. Additionally, we obtained control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated, which resulted in an immaterial gain. We recorded $0.2 billion of goodwill as a result of these transactions.

During 2012, we acquired various other wireless licenses and markets for cash consideration that was not significant and recorded $0.2 billion of goodwill as a result of these transactions.

Wireline

HUGHES Telematics, Inc.

During July 2012, we acquired HUGHES Telematics, Inc. (HUGHES Telematics) for approximately $12 per share in cash for a total acquisition price of $0.6 billion. As a result of the transaction, HUGHES Telematics became a wholly-owned subsidiary of Verizon. The consolidated financial statements include the results of HUGHES Telematics' operations from the date the acquisition closed. Upon closing, we recorded approximately $0.6 billion of goodwill, $0.1 billion of other intangibles and assumed the debt obligations of HUGHES Telematics, which were approximately $0.1 billion as of the date of acquisition and which were repaid by Verizon. Had this acquisition been completed on January 1, 2012 or 2011, the results of the acquired operations of HUGHES Telematics would not have had a significant impact on the consolidated net income attributable to Verizon. The acquisition has accelerated our ability to bring more telematics offerings to market for existing and new customers.

The acquisition of HUGHES Telematics was accounted for as a business combination under the acquisition method. The cost of the acquisition was allocated to the assets and liabilities acquired based on their fair values as of the close of the acquisition, with the excess amount being recorded as goodwill.

Terremark Worldwide Inc.

During April 2011, we acquired Terremark Worldwide, Inc. (Terremark), a global provider of information technology infrastructure and cloud services, for $19 per share in cash. Closing and other direct acquisition-related costs totaled approximately $13 million after-tax. The acquisition was completed via a tender offer followed by a "short-form" merger under Delaware law through which Terremark became a wholly-owned subsidiary of Verizon. The acquisition enhanced Verizon's offerings to business and government customers globally.

The consolidated financial statements include the results of Terremark's operations from the date the acquisition closed. Had this acquisition been consummated on January 1, 2011, the results of Terremark's acquired operations would not have had a significant impact on the consolidated net income attributable to Verizon. The debt obligations of Terremark that were outstanding at the time of its acquisition by Verizon were repaid during May 2011.

Other

During the fourth quarter of 2013, Verizon acquired an industry leader in content delivery networks for $0.4 billion. We expect the acquisition will increase our ability to meet the growing demand for online digital media content. Upon closing, we recorded $0.3 billion of goodwill. Additionally, we acquired a technology and television cloud company for cash consideration that was not significant. The consolidated financial statements include the results of the operations of each of these acquisitions from the date each acquisition closed.

On January 21, 2014, Verizon announced an agreement to acquire a business dedicated to the development of cloud television products and services for cash consideration that was not significant. The transaction, which was completed in February 2014, is expected to accelerate the availability of next-generation video services.

Note 3
Wireless Licenses, Goodwill and Other Intangible Assets

Wireless Licenses

Changes in the carrying amount of Wireless licenses are as follows:

	(dollars in millions)
Balance at January 1, 2012	$ 73,250
Acquisitions (Note 2)	4,544
Capitalized interest on wireless licenses	205
Reclassifications, adjustments and other	(255)
Balance at December 31, 2012	$ 77,744
Acquisitions (Note 2)	579
Dispositions (Note 2)	(2,361)
Capitalized interest on wireless licenses	566
Reclassifications, adjustments and other	(781)
Balance at December 31, 2013	**$ 75,747**

Reclassifications, adjustments and other includes $0.9 billion of Wireless licenses that are classified as held for sale and included in Prepaid expenses and other on our consolidated balance sheet at December 31, 2013, as well as the exchanges of wireless licenses in 2013 and 2012. See Note 2 for additional details.

At December 31, 2013 and 2012, approximately $7.7 billion and $7.3 billion, respectively, of wireless licenses were under development for commercial service for which we were capitalizing interest costs.

The average remaining renewal period of our wireless license portfolio was 5.1 years as of December 31, 2013. See Note 1 for additional details.

Goodwill

Changes in the carrying amount of Goodwill are as follows:

	(dollars in millions)		
	Wireless	Wireline	Total
Balance at January 1, 2012	$ 17,963	$ 5,394	$ 23,357
Acquisitions (Note 2)	209	551	760
Reclassifications, adjustments and other	–	22	22
Balance at December 31, 2012	$ 18,172	$ 5,967	$ 24,139
Acquisitions (Note 2)	204	291	495
Balance at December 31, 2013	**$ 18,376**	**$ 6,258**	**$ 24,634**

The increase in Goodwill at Wireless at December 31, 2013 was primarily due to obtaining control of previously unconsolidated wireless partnerships, which were previously accounted for under the equity method and are now consolidated. This resulted in an immaterial gain recorded during the year ended December 31, 2013. The increase in Goodwill at Wireline at December 31, 2013 was primarily due to the acquisition of a provider of content delivery networks.

Other Intangible Assets

The following table displays the composition of Other intangible assets, net:

	(dollars in millions)					
	2013			2012		
At December 31,	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer lists (5 to 13 years)	$ 3,639	$ (2,660)	$ 979	$ 3,556	$ (2,338)	$ 1,218
Non-network internal-use software (3 to 7 years)	11,770	(7,317)	4,453	10,415	(6,210)	4,205
Other (2 to 25 years)	691	(323)	368	802	(292)	510
Total	$ 16,100	$ (10,300)	$ 5,800	$ 14,773	$ (8,840)	$ 5,933

The amortization expense for Other intangible assets was as follows:

Years	(dollars in millions)
2013	$ 1,587
2012	1,540
2011	1,505

Estimated annual amortization expense for Other intangible assets is as follows:

Years	(dollars in millions)
2014	$ 1,486
2015	1,215
2016	971
2017	784
2018	619

Note 4
Plant, Property and Equipment

The following table displays the details of Plant, property and equipment, which is stated at cost:

		(dollars in millions)	
At December 31,	Lives (years)	2013	2012
Land	–	$ 819	$ 859
Buildings and equipment	15-45	23,857	22,909
Central office and other network equipment	3-15	121,594	113,262
Cable, poles and conduit	11-50	55,240	53,761
Leasehold improvements	5-20	5,877	5,404
Work in progress	–	4,176	4,176
Furniture, vehicles and other	3-20	9,302	9,254
		220,865	209,575
Less accumulated depreciation		131,909	120,933
Total		$ 88,956	$ 88,642

Note 5
Investments in Unconsolidated Businesses

Our investments in unconsolidated businesses are comprised of the following:

		(dollars in millions)	
At December 31,	Ownership	2013	2012
Equity Investees			
Vodafone Omnitel	23.1%	$ 2,511	$ 2,200
Other	Various	818	1,106
Total equity investees		3,329	3,306
Cost Investees	Various	103	95
Total investments in unconsolidated businesses		$ 3,432	$ 3,401

Dividends and repatriations of foreign earnings received from these investees were not significant in 2013, $0.4 billion in 2012 and $0.5 billion in 2011. See Note 12 regarding undistributed earnings of our foreign subsidiaries.

Equity Method Investments

Vodafone Omnitel

Vodafone Omnitel N.V. (Vodafone Omnitel) is one of the largest wireless communications companies in Italy. At December 31, 2013 and 2012, our investment in Vodafone Omnitel included goodwill of $1.1 billion and $1.0 billion, respectively. As part of the consideration of the Wireless Transaction, a subsidiary of Verizon sold its entire ownership interest in Vodafone Omnitel to a subsidiary of Vodafone on February 21, 2014. See Note 2 for additional information.

Other Equity Investees

The remaining investments include wireless partnerships in the U.S., limited partnership investments in entities that invest in affordable housing projects and other smaller domestic and international investments.

Summarized Financial Information

Summarized financial information for our equity investees is as follows:

Balance Sheet

	(dollars in millions)	
At December 31,	2013	2012
Current assets	$ 3,983	$ 3,516
Noncurrent assets	7,748	8,159
Total assets	$ 11,731	$ 11,675
Current liabilities	$ 4,692	$ 5,526
Noncurrent liabilities	5	5
Equity	7,034	6,144
Total liabilities and equity	$ 11,731	$ 11,675

Income Statement

	(dollars in millions)		
Years Ended December 31,	2013	2012	2011
Net revenue	$ 8,984	$ 10,825	$ 12,668
Operating income	1,632	3,823	4,021
Net income	925	1,679	2,151

Note 6
Noncontrolling Interests

Noncontrolling interests in equity of subsidiaries were as follows:

	(dollars in millions)	
At December 31,	2013	2012
Verizon Wireless	$ 55,465	$ 51,492
Wireless partnerships and other	1,115	884
	$ 56,580	$ 52,376

Wireless Joint Venture

Our Wireless segment is primarily comprised of Cellco Partnership doing business as Verizon Wireless (Verizon Wireless). Cellco Partnership is a joint venture formed in April 2000 by the combination of the U.S. wireless operations and interests of Verizon and Vodafone. As of December 31, 2013, Verizon owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45%. On February 21, 2014, Verizon completed the Wireless Transaction and acquired 100% ownership of Verizon Wireless. See Note 2 for additional information.

Special Distributions

In May 2013, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the second quarter of 2013 in proportion to their partnership interests on the payment date, in the aggregate amount of $7.0 billion. As a result, Vodafone received a cash payment of $3.15 billion and the remainder of the distribution was received by Verizon.

In November 2012, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the fourth quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $8.5 billion. As a result, Vodafone received a cash payment of $3.9 billion and the remainder of the distribution was received by Verizon.

In July 2011, the Board of Representatives of Verizon Wireless declared a distribution to its owners, which was paid in the first quarter of 2012 in proportion to their partnership interests on the payment date, in the aggregate amount of $10 billion. As a result, Vodafone received a cash payment of $4.5 billion and the remainder of the distribution was received by Verizon.

Note 7
Leasing Arrangements

As Lessor

We are the lessor in leveraged and direct financing lease agreements for commercial aircraft and power generating facilities, which comprise the majority of our leasing portfolio along with telecommunications equipment, commercial real estate property and other equipment. These leases have remaining terms of up to 37 years as of December 31, 2013. In addition, we lease space on certain of our cell towers to other wireless carriers. Minimum lease payments receivable represent unpaid rentals, less principal and interest on third-party nonrecourse debt relating to leveraged lease transactions. Since we have no general liability for this debt, which is secured by a senior security interest in the leased equipment and rentals, the related principal and interest have been offset against the minimum lease payments receivable in accordance with U.S. GAAP. All recourse debt is reflected in our consolidated balance sheets.

At each reporting period, we monitor the credit quality of the various lessees in our portfolios. Regarding the leveraged lease portfolio, external credit reports are used where available and where not available, we use internally developed indicators. These indicators, or internal credit risk grades, factor historic loss experience, the value of the underlying collateral, delinquency trends and industry and general economic conditions. The credit quality of our lessees varies from AAA to CCC. For each reporting period, the leveraged leases within the portfolio are reviewed for indicators of impairment, where it is probable the rent due according to the contractual terms of the lease will not be collected. All significant accounts individually or in the aggregate are current and none are classified as impaired.

Finance lease receivables, which are included in Prepaid expenses and other and Other assets in our consolidated balance sheets are comprised of the following

(dollars in millions)

At December 31,	2013			2012		
	Leveraged Leases	Direct Finance Leases	Total	Leveraged Leases	Direct Finance Leases	Total
Minimum lease payments receivable	$ 1,069	$ 16	$ 1,085	$ 1,253	$ 58	$ 1,311
Estimated residual value	780	5	785	923	6	929
Unearned income	(589)	(4)	(593)	(654)	(10)	(664)
Total	$ 1,260	$ 17	$ 1,277	$ 1,522	$ 54	$ 1,576
Allowance for doubtful accounts			(90)			(99)
Finance lease receivables, net			$ 1,187			$ 1,477
Prepaid expenses and other			$ 5			$ 22
Other assets			1,182			1,455
			$ 1,187			$ 1,477

Accumulated deferred taxes arising from leveraged leases, which are included in Deferred income taxes, amounted to $1.0 billion at December 31, 2013 and $1.2 billion at December 31, 2012.

The following table is a summary of the components of income from leveraged leases:

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Pre-tax income	$ 34	$ 30	$ 61
Income tax expense	12	12	24

The future minimum lease payments to be received from noncancelable capital leases (direct financing and leveraged leases), net of nonrecourse loan payments related to leveraged leases and allowances for doubtful accounts, along with expected receipts relating to operating leases for the periods shown at December 31, 2013, are as follows:

(dollars in millions)

Years	Capital Leases	Operating Leases
2014	$ 74	$ 197
2015	46	170
2016	114	142
2017	38	50
2018	56	23
Thereafter	797	19
Total	$ 1,085	$ 601

As Lessee

We lease certain facilities and equipment for use in our operations under both capital and operating leases. Total rent expense under operating leases amounted to $2.6 billion in 2013 and $2.5 billion in 2012 and 2011, respectively.

Amortization of capital leases is included in Depreciation and amortization expense in the consolidated statements of income. Capital lease amounts included in Plant, property and equipment are as follows:

(dollars in millions)

At December 31	2013	2012
Capital leases	$ 353	$ 358
Less accumulated amortization	188	158
Total	$ 165	$ 200

The aggregate minimum rental commitments under noncancelable leases for the periods shown at December 31, 2013, are as follows:

(dollars in millions)

Years	Capital Leases	Operating Leases
2014	$ 110	$ 2,255
2015	70	2,020
2016	54	1,703
2017	46	1,379
2018	20	1,085
Thereafter	83	3,748
Total minimum rental commitments	383	$ 12,190
Less interest and executory costs	90	
Present value of minimum lease payments	293	
Less current installments	91	
Long-term obligation at December 31, 2013	$ 202	

Debt

Changes to debt during 2013 are as follows:

(dollars in millions)

	Debt Maturing within One Year	Long-term Debt	Total
Balance at January 1, 2013	$ 4,369	$ 47,618	$ 51,987
Proceeds from long-term borrowings	–	49,166	49,166
Repayments of long-term borrowings and capital lease obligations	(3,943)	(4,220)	(8,163)
Decrease in short-term obligations, excluding current maturities	(142)	–	(142)
Reclassifications of long-term debt	3,328	(3,328)	–
Other	321	422	743
Balance at December 31, 2013	$ 3,933	$ 89,658	$ 93,591

Debt maturing within one year is as follows:

(dollars in millions)

At December 31	2013	2012
Long-term debt maturing within one year	$ 3,486	$ 3,869
Commercial paper and other	447	500
Total debt maturing within one year	$ 3,933	$ 4,369

The weighted-average interest rate for our commercial paper outstanding was 0.2% and 0.4% at December 31, 2013 and 2012, respectively.

Credit Facilities

On August 13, 2013, we amended our $6.2 billion credit facility with a group of major financial institutions to extend the maturity date to August 12, 2017. As of December 31, 2013, the unused borrowing capacity under this credit facility was approximately $6.1 billion.

During October 2013, we entered into a $2.0 billion 364-day revolving credit agreement with a group of major financial institutions. Although effective as of October 2013, we could not draw on this revolving credit agreement prior to the completion of the Wireless Transaction. We may use borrowings under the 364-day credit agreement for general corporate purposes. The 364-day revolving credit agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, this agreement requires us to maintain a leverage ratio (as defined in the agreement) not in excess of 3.50:1.00, until our credit ratings reach a certain level.

Long-Term Debt

Outstanding long-term debt obligations are as follows:

(dollars in millions)

At December 31,	Interest Rates %	Maturities	2013	2012
Verizon Communications—notes payable and other	0.50 – 3.85	2014 – 2042	$ 20,416	$ 11,198
	4.50 – 5.50	2015 – 2041	20,226	7,062
	5.55 – 6.90	2016 – 2043	31,965	11,031
	7.35 – 8.95	2018 – 2039	5,023	5,017
	Floating	2014 – 2018	5,500	1,000
Verizon Wireless—notes payable and other	8.50 – 8.88	2015 – 2018	3,931	8,635
Verizon Wireless—Alltel assumed notes	6.80 – 7.88	2016 – 2032	1,300	1,500
Telephone subsidiaries—debentures	5.13 – 6.86	2027 – 2033	1,075	2,045
	7.38 – 7.88	2022 – 2032	1,099	1,349
	8.00 – 8.75	2019 – 2031	880	880
Other subsidiaries—debentures and other	6.84 – 8.75	2018 – 2028	1,700	1,700
Capital lease obligations (average rate of 5.1% and 6.3% in 2013 and 2012, respectively)			293	298
Unamortized discount, net of premium			(264)	(228)
Total long-term debt, including current maturities			93,144	57,487
Less long-term debt maturing within one year			3,486	3,869
Total long-term debt			$ 89,658	$ 47,618

2013

During March 2013, we issued $0.5 billion aggregate principal amount of floating rate Notes due 2015 in a private placement resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The proceeds were used for the repayment of commercial paper.

During April 2013, $1.25 billion of 5.25% Verizon Communications Notes matured and were repaid. In addition, during June 2013, $0.5 billion of 4.375% Verizon Communications Notes matured and were repaid.

During September 2013, in connection with the Wireless Transaction, we issued $49.0 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately $48.7 billion, net of discounts and issuance costs. The issuances consisted of the following: $2.25 billion aggregate principal amount of floating rate Notes due 2016 that bear interest at a rate equal to three-month LIBOR plus 1.53% which rate will be reset quarterly, $1.75 billion aggregate principal amount of floating rate Notes due 2018 that bear interest at a rate equal to three-month LIBOR plus 1.75% which rate will be reset quarterly, $4.25 billion aggregate principal amount of 2.50% Notes due 2016, $4.75 billion aggregate principal amount of 3.65% Notes due 2018, $4.0 billion aggregate principal amount of 4.50% Notes due 2020, $11.0 billion aggregate principal amount of 5.15% Notes due 2023, $6.0 billion aggregate principal amount of 6.40% Notes due 2033 and $15.0 billion aggregate principal amount of 6.55% Notes due 2043 (collectively, the new notes). The proceeds of the new notes were used to finance, in part, the Wireless Transaction and to pay related fees and expenses. As a result of the issuance of the new notes, we incurred interest expense related to the Wireless Transaction of $0.7 billion during 2013.

In addition, during 2013 we utilized $0.2 billion under fixed rate vendor financing facilities.

During February 2014, we issued €1.75 billion aggregate principal amount of 2.375% Notes due 2022, €1.25 billion aggregate principal amount of 3.25% Notes due 2026 and £0.85 billion aggregate principal amount of 4.75% Notes due 2034. The issuance of these Notes resulted in cash proceeds of approximately $5.4 billion, net of discounts and issuance costs. The net proceeds were used, in part, to finance the Wireless Transaction. Any net proceeds not used to finance the Wireless Transaction will be used for general corporate purposes. Also, during February 2014, we issued $0.5 billion aggregate principal amount of 5.9% Retail Notes due 2054 resulting in cash proceeds of approximately $0.5 billion, net of discounts and issuance costs. The proceeds will be used for general corporate purposes.

Verizon Notes

During February 2014, in connection with the Wireless Transaction, we issued $5.0 billion aggregate principal amount of floating rate notes. The Verizon Notes were issued in two separate series with $2.5 billion due February 21, 2022 and $2.5 billion due February 21, 2025. The Verizon Notes bear interest at a floating rate which will be reset quarterly with interest payable quarterly in arrears beginning May 21, 2014 (see Note 21). The eight-year Verizon notes bear interest at a floating rate equal to three-month LIBOR plus 1.222%, and the eleven-year Verizon notes bear interest at a floating rate equal to three-month LIBOR, plus 1.372%.

Term Loan Agreement

During October 2013, we entered into a term loan agreement with a group of major financial institutions pursuant to which we drew $6.6 billion to finance, in part, the Wireless Transaction and to pay transaction costs. Half of any loans under the term loan agreement have a maturity of three years and the other half have a maturity of five years (the 5-Year Loans). The 5-Year Loans provide for the partial amortization of principal during the last two years that they are outstanding. Loans under the term loan agreement bear interest at floating rates. The term loan agreement contains certain negative covenants, including a negative pledge covenant, a merger or similar transaction covenant and an accounting changes covenant, affirmative covenants and events of default that are customary for companies maintaining an investment grade credit rating. In addition, the term loan agreement requires us to maintain a leverage ratio (as defined in the term loan agreement) not in excess of 3.50:1.00, until our credit ratings reach a certain level.

Bridge Credit Agreement

During September 2013, we entered into a $61.0 billion bridge credit agreement with a group of major financial institutions. The credit agreement provided us with the ability to borrow up to $61.0 billion to finance, in part, the Wireless Transaction and to pay related transaction costs. Following the September 2013 issuance of notes, borrowing availability under the bridge credit agreement was reduced to $12.0 billion. Following the effectiveness of the term loan agreement in October 2013, the bridge credit agreement was terminated in accordance with its terms and as such, the related fees of $0.2 billion were recognized in Other income and (expense), net during the fourth quarter of 2013.

2012

On November 2, 2012, we announced the commencement of a tender offer (the Tender Offer) to purchase for cash any and all of the outstanding $1.25 billion aggregate principal amount of 8.95% Verizon Communications Notes due 2039. In the Tender Offer that was completed November 9, 2012, $0.9 billion aggregate principal amount of the notes was purchased at a price of 136.2% of the principal amount of the notes (see Early Debt Redemption and Other Costs) and $0.35 billion principal amount of the notes remained outstanding. Any accrued and unpaid interest on the principal purchased was paid to the date of purchase.

During November 2012, we issued $4.5 billion aggregate principal amount of fixed rate notes resulting in cash proceeds of approximately $4.47 billion net of discounts and issuance costs. The issuances consisted of the following: $1.0 billion of 0.70% Notes due 2015, $0.5 billion of 1.10% Notes due 2017, $1.75 billion of 2.45% Notes due 2022 and $1.25 billion of 3.85% Notes due 2042. During December 2012, the net proceeds were used to redeem: $0.7 billion of the $2.0 billion of 8.75% Notes due November 2018 at a redemption price of 140.2% of the principal amount of the notes (see "Early Debt Redemption and Other Costs"); $0.75 billion of 4.35% Notes due February 2013 at a redemption price of 100.7% of the principal amount of the notes and certain telephone subsidiary debt (see "Telephone and Other Subsidiary Debt"), as well as for the Tender Offer and other general corporate purposes. Any accrued and unpaid interest was paid to the date of redemption.

In addition, during 2012 we utilized $0.2 billion under fixed rate vendor financing facilities.

Verizon Wireless – Notes Payable and Other

Verizon Wireless Capital LLC, a wholly-owned subsidiary of Verizon Wireless, is a limited liability company formed under the laws of Delaware on December 7, 2001 as a special purpose finance subsidiary to facilitate the offering of debt securities of Verizon Wireless by acting as co-issuer. Other than the financing activities as a co-issuer of Verizon Wireless indebtedness, Verizon Wireless Capital LLC has no material assets, operations or revenues. Verizon Wireless is jointly and severally liable with Verizon Wireless Capital LLC for co-issued notes.

2013

During November 2013, $1.25 billion of 7.375% Verizon Wireless Notes and $0.2 billion of 6.50% Verizon Wireless Notes matured and were repaid. Also during November 2013, Verizon Wireless redeemed $3.5 billion of 5.55% Notes, due February 1, 2014 at a redemption price of 101% of the principal amount of the notes. Any accrued and unpaid interest was paid to the date of redemption.

2012

During February 2012, $0.8 billion of 5.25% Verizon Wireless Notes matured and were repaid. During July 2012, $0.8 billion of 7.0% Verizon Wireless Notes matured and were repaid.

Telephone and Other Subsidiary Debt

2013

During May 2013, $0.1 billion of 7.0% Verizon New York Inc. Debentures matured and were repaid. During June 2013, $0.1 billion of 7.0% Verizon New York Inc. Debentures matured and were repaid. In addition, during June 2013, we redeemed $0.25 billion of 7.15% Verizon Maryland LLC Debentures due May 2023 at a redemption price of 100% of the principal amount of the debentures. During October 2013, $0.3 billion of 4.75% Verizon New England Inc. Debentures matured and were repaid. During November 2013, we redeemed $0.3 billion of 6.70% Verizon New York Inc. Debentures, due November 2023 at a redemption price of 100% of the principal amount of the debentures. During December 2013, we redeemed $0.2 billion of 7.0% Verizon New York Inc. Debentures due December 2033 at a redemption price of 100% of the principal amount of the debentures and $20 million of 7.0% Verizon Delaware LLC Debentures, due December 2023 at a redemption price of 100% of the principal amount of the debentures. Any accrued and unpaid interest was paid to the date of redemption.

2012

During January 2012, $1.0 billion of 5.875% Verizon New Jersey Inc. Debentures matured and were repaid. During December 2012, we redeemed the $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 at a redemption price of 101.1% of the principal amount of the debentures. Any accrued and unpaid interest was paid to the date of redemption.

In addition, during 2012, various Telephone and Other Subsidiary Debentures totaling approximately $0.2 billion were repaid and any accrued and unpaid interest was paid to the date of payment.

Early Debt Redemption and Other Costs

During November 2012, we recorded debt redemption costs of $0.8 billion in connection with the purchase of $0.9 billion of the $1.25 billion of 8.95% Verizon Communications Notes due 2039 in a cash tender offer.

During December 2012, we recorded debt redemption costs of $0.3 billion in connection with the early redemption of $0.7 billion of the $2.0 billion of 8.75% Verizon Communications Notes due 2018, $1.0 billion of 4.625% Verizon Virginia LLC Debentures, Series A, due March 2013 and $0.75 billion of 4.35% Verizon Communications Notes due February 2013, as well as $0.3 billion of other costs.

Guarantees

We guarantee the debentures and first mortgage bonds of our operating telephone company subsidiaries. As of December 31, 2013, $3.1 billion principal amount of these obligations remain outstanding. Each guarantee will remain in place for the life of the obligation unless terminated pursuant to its terms, including the operating telephone company no longer being a wholly-owned subsidiary of Verizon.

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003. As of December 31, 2013, $1.7 billion principal amount of these obligations remain outstanding.

Debt Covenants

We and our consolidated subsidiaries are in compliance with all debt covenants.

Maturities of Long-Term Debt

Maturities of long-term debt outstanding at December 31, 2013 are as follows:

Years	(dollars in millions)
2014	$ 3,486
2015	2,740
2016	10,818
2017	1,331
2018	14,970
Thereafter	59,709

Fair Value Measurements and Financial Instruments

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

	Level 1 [1]	Level 2 [2]	Level 3 [3]	(dollars in millions) Total
Assets				
Cash and cash equivalents				
Fixed income securities	$ 9,190	$ –	$ –	$ 9,190
Short-term investments				
Equity securities	387	–	–	387
Fixed income securities	3	211	–	214
Other assets				
Forward interest rate swaps	–	76	–	76
Fixed income securities	–	875	–	875
Cross currency swaps	–	166	–	166
Total	$ 9,580	$ 1,328	$ –	$ 10,908
Liabilities				
Other liabilities				
Interest rate swaps	$ –	$ 23	$ –	$ 23
Total	$ –	$ 23	$ –	$ 23

[1] quoted prices in active markets for identical assets or liabilities
[2] observable inputs other than quoted prices in active markets for identical assets and liabilities
[3] no observable pricing inputs in the market

Equity securities consist of investments in common stock of domestic and international corporations measured using quoted prices in active markets.

Fixed income securities consist primarily of investments in U.S. Treasuries as well as municipal bonds. We use quoted prices in active markets for our U.S. Treasury securities and therefore these securities are classified as Level 1. For all other fixed income securities that do not have quoted prices in active markets, we use alternative matrix pricing resulting in these debt securities being classified as Level 2.

Derivative contracts are valued using models based on readily observable market parameters for all substantial terms of our derivative contracts and thus are classified within Level 2. We use mid-market pricing for fair value measurements of our derivative instruments. Our derivative instruments are recorded on a gross basis.

We recognize transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the fair value hierarchy during 2013.

Fair Value of Short-term and Long-term Debt

The fair value of our debt is determined using various methods, including quoted prices for identical terms and maturities, which is a Level 1 measurement, as well as quoted prices for similar terms and maturities in inactive markets and future cash flows discounted at current rates, which are Level 2 measurements. The fair value of our short-term and long-term debt, excluding capital leases, was as follows:

At December 31	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short- and long-term debt, excluding capital leases	$ 93,298	$ 103,527	$ 51,689	$ 61,552

(dollars in millions)

Derivative Instruments

Interest Rate Swaps

We have entered into domestic interest rate swaps to achieve a targeted mix of fixed and variable rate debt. We principally receive fixed rates and pay variable rates based on LIBOR, resulting in a net increase or decrease to Interest expense. These swaps are designated as fair value hedges and hedge against changes in the fair value of our debt portfolio. We record the interest rate swaps at fair value on our consolidated balance sheets as assets and liabilities.

During 2012, interest rate swaps with a notional value of $5.8 billion were settled. As a result of the settlements, we received net proceeds of $0.7 billion, including accrued interest which is included in Other, net operating activities in the consolidated statement of cash flows. The fair value basis adjustment to the underlying debt instruments was recognized into earnings as a reduction of Interest expense over the remaining lives of the underlying debt obligations. During the second quarter of 2013, interest rate swaps with a notional value of $1.25 billion matured and the impact to our consolidated financial statements was not material. During the third quarter of 2013, we entered into interest rate swaps with a total notional value of $1.8 billion. At December 31, 2013 and 2012, the fair value of these interest rate swaps was not material. At December 31, 2013, the total notional amount of these interest rate swaps was $1.8 billion. The ineffective portion of these interest rate swaps was not material at December 31, 2013.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the fourth quarter of 2013, we entered into forward interest rate swaps with a notional value of $2.0 billion. We designated these contracts as cash flow hedges. The fair value of these contracts was not material at December 31, 2013.

Cross Currency Swaps

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $3.6 billion of British Pound Sterling and Euro denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses. A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expenses), net to offset the related pre-tax foreign currency transaction gain or loss on the underlying debt obligations. The fair value of the outstanding swaps was not material at December 31, 2013 or December 31, 2012. During 2013 and 2012 the gains with respect to these swaps were not material.

During February 2014, we entered into cross currency swaps designated as cash flow hedges to exchange approximately $5.1 billion of Euro and British Pound Sterling denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses.

Concentrations of Credit Risk

Financial instruments that subject us to concentrations of credit risk consist primarily of temporary cash investments, short-term and long-term investments, trade receivables, certain notes receivable, including lease receivables, and derivative contracts. Our policy is to deposit our temporary cash investments with major financial institutions. Counterparties to our derivative contracts are also major financial institutions with whom we have negotiated derivatives agreements (ISDA master agreement) and credit support annex agreements which provide rules for collateral exchange. We generally apply collateralized arrangements with our counterparties for uncleared derivatives to mitigate credit risk. We may enter into swaps on an uncollateralized basis in certain circumstances. While we may be exposed to credit losses due to the nonperformance of our counterparties, we consider the risk remote and do not expect the settlement of these transactions to have a material effect on our results of operations or financial condition.

Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc. Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and other awards. The maximum number of shares available for awards from the Plan is 119.6 million shares.

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant. The RSUs are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting. The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period. Dividend equivalent units are also paid to participants at the time the RSU award is paid, and in the same proportion as the RSU award.

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant. As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle. The PSUs are classified as liability awards because the PSU awards are paid in cash upon vesting. The PSU award liability is measured at its fair value at the end of each reporting period and, therefore, will fluctuate based on the price of Verizon common stock as well as performance relative to the targets. Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award. The granted and cancelled activity for the PSU award includes adjustments for the performance goals achieved.

The following table summarizes Verizon's Restricted Stock Unit and Performance Stock Unit activity:

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding January 1, 2011	20,923	32,380
Granted	6,067	10,348
Payments	(7,600)	(12,137)
Cancelled/Forfeited	(154)	(2,977)
Outstanding December 31, 2011	**19,236**	**27,614**
Granted	**6,350**	**20,537**
Payments	**(7,369)**	**(8,499)**
Cancelled/Forfeited	**(148)**	**(189)**
Outstanding December 31, 2012	**18,669**	**39,463**
Granted	**4,950**	**7,470**
Payments	**(7,246)**	**(22,703)**
Cancelled/Forfeited	***(180)***	***(506)***
Outstanding December 31, 2013	**16,193**	**23,724**

As of December 31, 2013, unrecognized compensation expense related to the unvested portion of Verizon's RSUs and PSUs was approximately $0.4 billion and is expected to be recognized over approximately two years.

The RSUs granted in 2013 and 2012 have weighted-average grant date fair values of $47.96 and $38.67 per unit, respectively. During 2013, 2012 and 2011, we paid $1.1 billion, $0.6 billion and $0.7 billion, respectively, to settle RSUs and PSUs classified as liability awards.

Verizon Wireless' Long-Term Incentive Plan

The Verizon Wireless Long-Term Incentive Plan (the Wireless Plan) provides compensation opportunities to eligible employees of Verizon Wireless (the Partnership). Under the Wireless Plan, Value Appreciation Rights (VARs) were granted to eligible employees. As of December 31, 2013, all VARs were fully vested. We have not granted new VARs since 2004.

VARs reflect the change in the value of the Partnership, as defined in the Wireless Plan. Similar to stock options, the valuation is determined using a Black-Scholes model. Once VARs become vested, employees can exercise their VARs and receive a payment that is equal to the difference between the VAR price on the date of grant and the VAR price on the date of exercise, less applicable taxes. All outstanding VARs are fully exercisable and have a maximum term of 10 years. All VARs were granted at a price equal to the estimated fair value of the Partnership, as defined in the Wireless Plan, at the date of the grant.

The following table summarizes the assumptions used in the Black-Scholes model during 2013:

	End of Period
Risk-free rate	0.11%
Expected term (in years)	0.12
Expected volatility	43.27%

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of the measurement date. Expected volatility was based on a blend of the historical and implied volatility of publicly traded peer companies for a period equal to the VARs' expected life ending on the measurement date.

The following table summarizes the Value Appreciation Rights activity:

(shares in thousands)	VARs	Weighted-Average Grant-Date Fair Value
Outstanding rights, January 1, 2011	11,569	$ 13.11
Exercised	(3,303)	14.87
Cancelled/Forfeited	(52)	14.74
Outstanding rights, December 31, 2011	8,214	12.39
Exercised	(3,427)	10.30
Cancelled/Forfeited	(21)	11.10
Outstanding rights, December 31, 2012	4,766	13.89
Exercised	**(1,916)**	**13.89**
Cancelled/Forfeited	**(3)**	**13.89**
Outstanding rights, December 31, 2013	**2,847**	**13.89**

During 2013, 2012 and 2011, we paid $0.1 billion, respectively, to settle VARs classified as liability awards.

Stock Based Compensation Expense

After-tax compensation expense for stock-based compensation related to RSUs, PSUs and VARs described above included in Net income attributable to Verizon was $0.4 billion, $0.7 billion and $0.5 billion for 2013, 2012 and 2011, respectively.

Stock Options

The Plan provides for grants of stock options to participants at an option price per share of no less than 100% of the fair market value of Verizon common stock on the date of grant. Each grant has a 10-year life, vesting equally over a three-year period starting at the date of the grant. We have not granted new stock options since 2004.

The following table summarizes Verizon's stock option activity:

(shares in thousands)	Stock Options	Weighted-Average Exercise Price
Outstanding, January 1, 2011	56,844	$ 44.25
Exercised	(7,104)	35.00
Cancelled/Forfeited	(21,921)	51.06
Outstanding, December 31, 2011	27,819	41.74
Exercised	(7,447)	35.20
Cancelled/Forfeited	(17,054)	45.15
Outstanding, December 31, 2012	*3,318*	*34.69*
Exercised	(2,253)	34.85
Cancelled/Forfeited	**(82)**	**34.49**
Outstanding, December 31, 2013	**983**	**34.35**

All stock options outstanding at December 31, 2013, 2012 and 2011 were exercisable.

The following table summarizes information about Verizon's stock options outstanding as of December 31, 2013:

Range of Exercise Prices	Stock Options (in thousands)	Weighted-Average Remaining Life (years)	Weighted-Average Exercise Price
$30.00-39.99	969	0.1	$ 34.18
40.00-49.99	14	0.1	46.31
Total	983	0.1	34.35

The total intrinsic value for stock options outstanding as of December 31, 2013 is not significant. The total intrinsic value of stock options exercised was not significant in 2013 and the associated tax benefits were not significant in 2013, 2012 and 2011. The amount of cash received from the exercise of stock options was $0.1 billion in 2013, $0.3 billion in 2012 and $0.2 billion in 2011. There was no stock option expense for 2013, 2012 and 2011.

Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees. In addition, we maintain postretirement health care and life insurance plans for our retirees and their dependents, which are both contributory and non-contributory, and include a limit on our share of the cost for certain current and future retirees. In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit related credits and/or charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions. The adjustment is recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses.

Pension and Other Postretirement Benefits

Pension and other postretirement benefits for many of our employees are subject to collective bargaining agreements. Modifications in benefits have been bargained from time to time, and we may also periodically amend the benefits in the management plans. The following tables summarize benefit costs, as well as the benefit obligations, plan assets, funded status and rate assumptions associated with pension and postretirement health care and life insurance benefit plans.

Obligations and Funded Status

	Pension		Health Care and Life	
(dollars in millions)				
At December 31,	2013	2012	2013	2012
Change in Benefit Obligations				
Beginning of year	$ 26,773	$ 30,582	$ 26,844	$ 27,369
Service cost	395	358	318	359
Interest cost	1,002	1,449	1,095	1,284
Plan amendments	(149)	183	(119)	(1,826)
Actuarial (gain) loss, net	(2,327)	6,074	(3,576)	1,402
Benefits paid	(1,777)	(2,735)	(1,520)	(1,744)
Curtailment and termination benefits	4	–	–	–
Annuity purchase	–	(8,352)	–	–
Settlements paid	(889)	(786)	–	–
End of year	$ 23,032	$ 26,773	$ 23,042	$ 26,844
Change in Plan Assets				
Beginning of year	$ 18,282	$ 24,110	$ 2,657	$ 2,628
Actual return on plan assets	1,388	2,326	556	312
Company contributions	107	3,719	1,360	1,461
Benefits paid	(1,777)	(2,735)	(1,520)	(1,744)
Settlements paid	(889)	(786)	–	–
Annuity purchase	–	(8,352)	–	–
End of year	$ 17,111	$ 18,282	$ 3,053	$ 2,657
Funded Status				
End of year	$ (5,921)	$ (8,491)	$ (19,989)	$ (24,187)

	Pension		Health Care and Life	
(dollars in millions)				
At December 31,	2013	2012	2013	2012
Amounts recognized on the balance sheet				
Noncurrent assets	$ 339	$ 236	$ –	$ –
Current liabilities	(137)	(129)	(710)	(766)
Noncurrent liabilities	(6,123)	(8,598)	(19,279)	(23,421)
Total	$ (5,921)	$ (8,491)	$ (19,989)	$ (24,187)
Amounts recognized in Accumulated Other Comprehensive Income (Pre-tax)				
Prior Service Benefit (Cost)	$ 25	$ 181	$ (2,120)	$ (2,247)
Total	$ 25	$ 181	$ (2,120)	$ (2,247)

Beginning in 2013, as a result of federal health care reform, Verizon no longer files for the Retiree Drug Subsidy (RDS) and instead contracts with a Medicare Part D plan on a group basis to provide prescription drug benefits to Medicare eligible retirees.

During 2012, we reached agreements with the Communications Workers of America and the International Brotherhood of Electrical Workers on new, three-year contracts that cover approximately 43,000 Wireline employees. This resulted in the adoption of plan amendments which will result in lower other postretirement benefit costs in 2013 and beyond.

The accumulated benefit obligation for all defined benefit pension plans was $22.9 billion and $26.5 billion at December 31, 2013 and 2012, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets follows:

	(dollars in millions)	
At December 31,	2013	2012
Projected benefit obligation	$ 22,610	$ 26,351
Accumulated benefit obligation	22,492	26,081
Fair value of plan assets	16,350	17,623

Net Periodic Cost

The following table summarizes the benefit (income) cost related to our pension and postretirement health care and life insurance plans:

	Pension			Health Care and Life		
(dollars in millions)						
Years Ended December 31,	2013	2012	2011	2013	2012	2011
Service cost	$ 395	$ 358	$ 307	$ 318	$ 359	$ 299
Amortization of prior service cost (credit)	6	(1)	72	(247)	(89)	(57)
Subtotal	401	357	379	71	270	242
Expected return on plan assets	(1,245)	(1,795)	(1,976)	(143)	(171)	(163)
Interest cost	1,002	1,449	1,590	1,095	1,284	1,421
Subtotal	158	11	(7)	1,023	1,383	1,500
Remeasurement (gain) loss, net	(2,470)	5,542	4,146	(3,989)	1,262	1,787
Net periodic benefit (income) cost	(2,312)	5,553	4,139	(2,966)	2,645	3,287
Curtailment and termination benefits	4	–	–	–	–	–
Total	$ (2,308)	$ 5,553	$ 4,139	$ (2,966)	$ 2,645	$ 3,287

Other pre-tax changes in plan assets and benefit obligations recognized in other comprehensive (income) loss are as follows:

	Pension		Health Care and Life	
(dollars in millions)				
At December 31,	2013	2012	2013	2012
Prior service cost	$ (149)	$ 183	$ (119)	$ (1,826)
Reversal of amortization items				
Prior service cost	(6)	1	247	89
Total recognized in other comprehensive (income) loss (pre-tax)	$ (155)	$ 184	$ 128	$ (1,737)

The estimated prior service cost for the defined benefit pension plan that will be amortized from Accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year is not significant. The estimated prior service cost for the defined benefit postretirement plans that will be amortized from Accumulated other comprehensive income into net periodic benefit (income) cost over the next fiscal year is $0.3 billion.

Assumptions

The weighted-average assumptions used in determining benefit obligations follow:

	Pension		Health Care and Life	
At December 31	2013	2012	2013	2012
Discount Rate	5.00%	4.20%	5.00%	4.20%
Rate of compensation increases	3.00	3.00	N/A	N/A

The weighted-average assumptions used in determining net periodic cost follow:

	Pension			Health Care and Life		
At December 31,	2013	2012	2011	2013	2012	2011
Discount Rate	4.20%	5.00%	5.75%	4.20%	5.00%	5.75%
Expected return on plan assets	7.50	7.50	8.00	5.60	7.00	6.00
Rate of compensation increases	3.00	3.00	3.00	N/A	N/A	N/A

In order to project the long-term target investment return for the total portfolio, estimates are prepared for the total return of each major asset class over the subsequent 10-year period. Those estimates are based on a combination of factors including the current market interest rates and valuation levels, consensus earnings expectations and historical long-term risk premiums. To determine the aggregate return for the pension trust, the projected return of each individual asset class is then weighted according to the allocation to that investment area in the trust's long-term asset allocation policy.

The assumed health care cost trend rates follow:

	Health Care and Life		
At December 31,	2013	2012	2011
Healthcare cost trend rate assumed for next year	6.50%	7.00%	7.50%
Rate to which cost trend rate gradually declines	4.75	5.00	5.00
Year the rate reaches the level it is assumed to remain thereafter	2020	2016	2016

A one-percentage point change in the assumed health care cost trend rate would have the following effects:

	(dollars in millions)	
One-Percentage Point:	Increase	Decrease
Effect on 2013 service and interest cost	$ 184	$ (150)
Effect on postretirement benefit obligation as of December 31, 2013	2,539	(2,086)

Plan Assets

Historically, our portfolio strategy emphasized a long-term equity orientation, significant global diversification, and the use of both public and private investments. In an effort to reduce the risk of our portfolio strategy and better align assets with liabilities, we have shifted our strategy to one that is more liability driven, where cash flows from investments better match projected benefit payments but result in lower asset returns. We intend to reduce the likelihood that assets will decline at a time when liabilities increase (referred to as liability hedging) with the goal to reduce the risk of underfunding to the plan and its participants and beneficiaries. Both active and passive management approaches are used depending on perceived market efficiencies and various other factors. Our diversification and risk control processes serve to minimize the concentration of risk.

While target allocation percentages will vary over time, the company's overall investment strategy is to achieve a mix of assets which allows us to meet projected benefits payments while taking into consideration risk and return. The current target allocation for plan assets is designed so that 70% of the assets have the objective of achieving a return in excess of the growth in liabilities (comprised of public equities, private equities, real estate, hedge funds and emerging debt) and 30% of the assets are invested as liability hedging assets (typically longer duration fixed income). This allocation will shift as funded status improves to a higher allocation to liability hedging assets. Target policies will be revisited periodically to ensure they are in line with fund objectives. Due to our diversification and risk control processes, there are no significant concentrations of risk in terms of sector, industry, geography or company names.

Pension and healthcare and life plans assets do not include significant amounts of Verizon common stock.

Pension Plans

The fair values for the pension plans by asset category at December 31, 2013 are as follows:

			(dollars in millions)	
Asset Category	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 968	$ 881	$ 87	$ –
Equity securities	4,200	3,300	900	–
Fixed income securities				
U.S. Treasuries and agencies	1,097	691	406	–
Corporate bonds	2,953	212	2,579	162
International bonds	364	51	313	–
Other	3		3	–
Real estate	1,784	–	–	1,784
Other				
Private equity	3,942	–	–	3,942
Hedge funds	1,800	–	604	1,196
Total	$ 17,111	$ 5,135	$ 4,892	$ 7,084

The fair values for the pension plans by asset category at December 31, 2012 are as follows:

			(dollars in millions)	
Asset Category	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 1,618	$ 1,586	$ 32	$ –
Equity securities	2,944	2,469	475	–
Fixed income securities				
U.S. Treasuries and agencies	1,589	1,125	464	–
Corporate bonds	2,456	35	2,225	196
International bonds	601	140	461	–
Other	210	–	210	–
Real estate	2,018	–	–	2,018
Other				
Private equity	5,039	–	–	5,039
Hedge funds	1,807	–	1,249	558
Total	$ 18,282	$ 5,355	$ 5,116	$ 7,811

The following is a reconciliation of the beginning and ending balance of pension plan assets that are measured at fair value using significant unobservable inputs:

(dollars in millions)

	Corporate Bonds	Real Estate	Private Equity	Hedge Funds	Total
Balance at January 1, 2012	$ 189	$ 2,188	$ 6,055	$ 662	$ 9,064
Actual gain on plan assets	12	84	146	43	285
Purchases and sales	(14)	(224)	(1,162)	(147)	(1,547)
Transfers in	9	–	–	–	9
Balance at December 31, 2012	$ 196	$ 2,018	$ 5,039	$ 558	$ 7,811
Actual gain on plan assets	**12**	**81**	**674**	**84**	**851**
Purchases and sales	**(13)**	**(315)**	**(1,732)**	**(124)**	**(2,184)**
Transfers in (out)	**(33)**	**–**	**(39)**	**678**	**606**
Balance at December 31, 2013	**$ 162**	**$ 1,784**	**$ 3,942**	**$ 1,196**	**$ 7,084**

Health Care and Life Plans

The fair values for the other postretirement benefit plans by asset category at December 31, 2013 are as follows:

(dollars in millions)

Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 237	$ 12	$ 225	$ –
Equity securities	2,178	1,324	854	–
Fixed income securities				
U.S. Treasuries and agencies	121	94	27	–
Corporate bonds	252	45	207	–
International bonds	104	18	86	–
Other	161	40	121	–
Total	$ 3,053	$ 1,533	$ 1,520	$ –

The fair values for the other postretirement benefit plans by asset category at December 31, 2012 are as follows:

(dollars in millions)

Asset Category	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 291	$ 13	$ 278	$ –
Equity securities	1,753	1,004	749	–
Fixed income securities				
U.S. Treasuries and agencies	118	80	38	–
Corporate bonds	192	11	181	–
International bonds	189	72	117	–
Other	114	–	114	–
Total	$ 2,657	$ 1,180	$ 1,477	$ –

The following are general descriptions of asset categories as well as the valuation methodologies and inputs used to determine the fair value of each major category of assets.

Cash and cash equivalents include short-term investment funds, primarily in diversified portfolios of investment grade money market instruments and are valued using quoted market prices or other valuation methods, and thus are classified within Level 1 or Level 2.

Equity securities are investments in common stock of domestic and international corporations in a variety of industry sectors, and are valued primarily using quoted market prices or other valuation methods and thus are classified within Level 1 or Level 2.

Fixed income securities include U.S. Treasuries and agencies, debt obligations of foreign governments and domestic and foreign corporations. Fixed income also includes investments in collateralized mortgage obligations, mortgage backed securities and interest rate swaps. The fair value of fixed income securities is based on observable prices for identical or comparable assets, adjusted using benchmark curves, sector grouping, matrix pricing, broker/dealer quotes and issuer spreads, and thus is classified within Level 1 or Level 2.

Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. The fair values of real estate assets are typically determined by using income and/or cost approaches or a comparable sales approach, taking into consideration discount and capitalization rates, financial conditions, local market conditions and the status of the capital markets, and thus are classified within Level 3.

Private equity investments include those in limited partnerships that invest in operating companies that are not publicly traded on a stock exchange. Investment strategies in private equity include leveraged buyouts, venture capital, distressed investments and investments in natural resources. These investments are valued using inputs such as trading multiples of comparable public securities, merger and acquisition activity and pricing data from the most recent equity financing taking into consideration illiquidity, and thus are classified within Level 3.

Hedge fund investments include those seeking to maximize absolute returns using a broad range of strategies to enhance returns and provide additional diversification. The fair values of hedge funds are estimated using net asset value per share (NAV) of the investments. Verizon has the ability to redeem these investments at NAV within the near term and thus are classified within Level 2. Investments that cannot be redeemed in the near term are classified within Level 3.

Cash Flows

In 2013, contributions to our qualified pension plans were not material. Also in 2013, we contributed $0.1 billion to our nonqualified pension plans and $1.4 billion to our other postretirement benefit plans. We anticipate approximately $1.2 billion in contributions to our qualified pension plans, $0.2 billion to our nonqualified pension plans and $1.4 billion to our other postretirement benefit plans in 2014.

Estimated Future Benefit Payments

The benefit payments to retirees are expected to be paid as follows:

(dollars in millions)

Year	Pension Benefits	Health Care and Life
2014	$ 2,980	$ 1,582
2015	2,280	1,574
2016	1,742	1,538
2017	1,666	1,506
2018	1,377	1,474
2019-2023	6,712	6,846

Savings Plan and Employee Stock Ownership Plans

We maintain four leveraged employee stock ownership plans (ESOP). Only one plan currently has unallocated shares. We match a certain percentage of eligible employee contributions to the savings plans with shares of our common stock from this ESOP. At December 31, 2013, the number of unallocated and allocated shares of common stock in this ESOP was 163 thousand and 62 million, respectively. All leveraged ESOP shares are included in earnings per share computations.

Total savings plan costs were $1.0 billion in 2013 and $0.7 billion in 2012 and 2011, respectively.

Pension Annuitization

On October 17, 2012, we, along with our subsidiary Verizon Investment Management Corp., and Fiduciary Counselors Inc., as independent fiduciary of the Verizon Management Pension Plan (the Plan), entered into a definitive purchase agreement with The Prudential Insurance Company of America (Prudential) and Prudential Financial, Inc., pursuant to which the Plan would purchase a single premium group annuity contract from Prudential.

On December 10, 2012, upon issuance of the group annuity contract by Prudential, Prudential irrevocably assumed the obligation to make future annuity payments to approximately 41,000 Verizon management retirees who began receiving pension payments from the Plan prior to January 1, 2010. The amount of each retiree's annuity payment equals the amount of such individual's pension benefit. In addition, the group annuity contract is intended to replicate the same rights to future payments, such as survivor benefits, that are currently offered by the Plan.

We contributed approximately $2.6 billion to the Plan between September 1, 2012 and December 31, 2012 in connection with the transaction so that the Plan's funding percentage would not decrease as a result of the transaction.

Severance Benefits

The following table provides an analysis of our actuarially determined severance liability recorded in accordance with the accounting standard regarding employers' accounting for postemployment benefits:

(dollars in millions)

Year	Beginning of Year	Charged to Expense	Payments	Other	End of Year
2011	$ 1,569	$ 52	$ (474)	$ (34)	$ 1,113
2012	1,113	396	(531)	32	1,010
2013	**1,010**	**134**	**(381)**	**(6)**	**757**

Severance, Pension and Benefit (Credits) Charges

During 2013, we recorded net pre-tax severance, pension and benefits credits of approximately $0.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The credits were primarily driven by an increase in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4.2% at December 31, 2012 to a weighted-average of 5.0% at December 31, 2013 ($4.3 billion) lower than assumed retiree medical costs and other assumption adjustments ($1.1 billion) and the difference between our estimated return on assets of 7.5% at December 31, 2012 and our actual return on assets of 8.6% at December 31, 2013 ($0.5 billion).

During 2012, we recorded net pre-tax severance, pension and benefits charges of approximately $7.2 billion primarily for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from a weighted-average of 4.8% at December 31, 2011 to a weighted-average of 4.2% at December 31, 2012 ($8.3 billion) and revisions to the retirement assumptions for participants and other assumption adjustments, partially offset by the difference between our estimated return on assets of 7.5% and our actual return on assets of 10.4% ($9.7 billion). As part of this charge, we also recorded $1.0 billion related to the annuitization of pension liabilities, as described above, as well as severance charges of $0.4 billion primarily for approximately 4,000 management employees.

During 2011, we recorded net pre-tax severance, pension and benefits charges of approximately $6.0 billion for our pension and postretirement plans in accordance with our accounting policy to recognize actuarial gains and losses in the year in which they occur. The charges were primarily driven by a decrease in our discount rate assumption used to determine the current year liabilities from 5.75% at December 31, 2010 to 5% at December 31, 2011 ($5.0 billion); the difference between our estimated return on assets of 8% and our actual return on assets of 5% ($0.9 billion); and revisions to the life expectancies of participants and other adjustments to assumptions.

Taxes

The components of income before (provision) benefit for income taxes are as follows:

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Domestic	$ 28,833	$ 9,316	$ 9,724
Foreign	444	581	759
Total	$ 29,277	$ 9,897	$ 10,483

The components of the provision (benefit) for income taxes are as follows:

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Current			
Federal	$ (197)	$ 223	$ 192
Foreign	(59)	(45)	25
State and Local	201	114	290
Total	(55)	292	508
Deferred			
Federal	5,060	(559)	270
Foreign	8	10	(38)
State and Local	717	(403)	(455)
Total	5,785	(952)	(223)
Total income tax provision (benefit)	$ 5,730	$ (660)	$ 285

The following table shows the principal reasons for the difference between the effective income tax rate and the statutory federal income tax rate:

Years Ended December 31,	2013	2012	2011
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local income tax rate, net of federal tax benefits	2.1	(1.9)	(1.0)
Affordable housing credit	(0.6)	(1.9)	(1.8)
Employee benefits including ESOP dividend	(0.4)	(1.1)	(1.4)
Equity in earnings from unconsolidated businesses	(0.3)	(1.4)	(1.9)
Noncontrolling interests	(14.3)	(23.9)	(23.6)
Other, net	(1.9)	(1.7)	(1.2)
Effective income tax rate	19.6%	(6.7)%	2.7%

The effective income tax rate for 2013 was 19.6% compared to (6.7)% for 2012. The increase in the effective income tax rate and provision for income taxes was primarily due to higher income before income taxes as a result of severance, pension and benefit credits recorded during 2013 compared to lower income before income taxes as a result of severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

The effective income tax rate for 2012 was (6.7)% compared to 2.7% for 2011. The negative effective income tax rate for 2012 and the decrease in the provision for income taxes during 2012 compared to 2011 was primarily due to lower income before income taxes as a result of higher severance, pension and benefit charges as well as early debt redemption costs recorded during 2012.

The amounts of cash taxes paid are as follows:

	(dollars in millions)		
Years Ended December 31,	2013	2012	2011
Income taxes, net of amounts refunded	$ 422	$ 351	$ 762
Employment taxes	1,282	1,308	1,328
Property and other taxes	2,082	1,727	1,883
Total	$ 3,786	$ 3,386	$ 3,973

Deferred taxes arise because of differences in the book and tax bases of certain assets and liabilities. Significant components of deferred tax assets and liabilities are as follows:

	(dollars in millions)	
At December 31,	2013	2012
Employee benefits	$ 10,242	$ 13,644
Tax loss and credit carry forwards	2,747	4,819
Uncollectible accounts receivable	213	206
Other - assets	959	1,050
	14,161	19,719
Valuation allowances	(1,596)	(2,041)
Deferred tax assets	12,565	17,678
Former MCI intercompany accounts receivable basis difference	1,121	1,275
Depreciation	14,030	13,953
Leasing activity	997	1,208
Wireless joint venture including wireless licenses	23,032	22,171
Other - liabilities	1,470	1,320
Deferred tax liabilities	40,650	39,927
Net deferred tax liability	$ 28,085	$ 22,249

At December 31, 2013, undistributed earnings of our foreign subsidiaries indefinitely invested outside the U.S. amounted to approximately $2.1 billion. The majority of Verizon's cash flow is generated from domestic operations and we are not dependent on foreign cash or earnings to meet our funding requirements, nor do we intend to repatriate these undistributed foreign earnings to fund U.S. operations. Furthermore, a portion of these undistributed earnings represent amounts that legally must be kept in reserve in accordance with certain foreign jurisdictional requirements and are unavailable for distribution or repatriation. As a result, we have not provided U.S. deferred taxes on these undistributed earnings because we intend that they will remain indefinitely reinvested outside of the U.S. and therefore unavailable for use in funding U.S. operations. Determination of the amount of unrecognized deferred taxes related to these undistributed earnings is not practicable.

At December 31, 2013, we had net after-tax loss and credit carry forwards for income tax purposes of approximately $2.7 billion. Of these net after-tax loss and credit carry forwards approximately $2.1 billion will expire between 2014 and 2033 and approximately $0.6 billion may be carried forward indefinitely. The amount of net after-tax loss and credit carry forwards reflected as a deferred tax asset above has been reduced by approximately $0.1 billion at December 31, 2012 due to federal and state tax law limitations on utilization of net operating losses.

During 2013, the valuation allowance decreased approximately $0.4 billion. The balance of the valuation allowance at December 31, 2013 and the 2013 activity is primarily related to state and foreign tax losses and credit carry forwards.

Unrecognized Tax Benefits

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows:

	(dollars in millions)		
	2013	2012	2011
Balance at January 1,	$ 2,943	$ 3,078	$ 3,242
Additions based on tax positions related to the current year	116	131	111
Additions for tax positions of prior years	250	92	456
Reductions for tax positions of prior years	(801)	(415)	(644)
Settlements	(210)	100	(56)
Lapses of statutes of limitations	(168)	(43)	(31)
Balance at December 31,	$ 2,130	$ 2,943	$ 3,078

Included in the total unrecognized tax benefits at December 31, 2013, 2012 and 2011 is $1.4 billion, $2.1 billion and $2.2 billion, respectively, that if recognized, would favorably affect the effective income tax rate.

We recognized the following net after-tax benefits related to interest and penalties in the provision for income taxes:

Years Ended December 31,	(dollars in millions)
2013	$ 33
2012	82
2011	60

The after-tax accruals for the payment of interest and penalties in the consolidated balance sheets are as follows:

At December 31	(dollars in millions)
2013	$ 274
2012	386

The decrease in unrecognized tax benefits was primarily due to the resolution of issues with the Internal Revenue Services (IRS) involving tax years 2004 through 2006, as well as the resolution of tax controversies in Canada and Italy.

Verizon and/or its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state, local and foreign jurisdictions. As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions for various open tax years. The IRS is currently examining the Company's U.S. income tax returns for tax years 2007-2009 and Cellco Partnership's U.S. income tax returns for tax years 2010-2011. Significant tax examinations and litigation are ongoing in New York City for tax years as early as 2000. The amount of the liability for unrecognized tax benefits will change in the next twelve months due to the expiration of the statute of limitations in various jurisdictions and it is reasonably possible that various current tax examinations will conclude or require reevaluations of the Company's tax positions during this period. An estimate of the range of the possible change cannot be made until these tax matters are further developed or resolved.

Note 13
Segment Information

Reportable Segments

We have two reportable segments, which we operate and manage as strategic business units and organize by products and services. We measure and evaluate our reportable segments based on segment operating income, consistent with the chief operating decision maker's assessment of segment performance.

Corporate eliminations and other includes unallocated corporate expenses, intersegment eliminations recorded in consolidation, the results of other businesses, such as our investments in unconsolidated businesses, pension and other employee benefit related costs, lease financing, as well as other adjustments and gains and losses that are not allocated in assessing segment performance due to their non-operational nature. Although such transactions are excluded from the business segment results, they are included in reported consolidated earnings. Gains and losses that are not individually significant are included in all segment results as these items are included in the chief operating decision maker's assessment of segment performance.

The reconciliation of segment operating revenues and expenses to consolidated operating revenues and expenses below also includes those items of a non-recurring or non-operational nature. We exclude from segment results the effects of certain items that management does not consider in assessing segment performance, primarily because of their non-recurring or non-operational nature.

We have adjusted prior period consolidated and segment information, where applicable, to conform to current year presentation.

Our segments and their principal activities consist of the following:

Segment	Description
Wireless	Wireless communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States.
Wireline	Wireline's voice, data and video communications products and enhanced services include broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services and local and long distance voice services. We provide these products and services to consumers in the United States, as well as to carriers, businesses and government customers both in the United States and in over 150 other countries around the world.

The following table provides operating financial information for our two reportable segments:

			(dollars in millions)
2013	Wireless	Wireline	Total Segments
External Operating Revenues			
Retail service	$ 66,282	$ –	$ 66,282
Other service	2,691	–	2,691
Service revenue	68,973	–	68,973
Equipment	8,096	–	8,096
Other	3,851	–	3,851
Consumer retail		14,737	14,737
Small business	–	2,587	2,587
Mass Markets	–	17,324	17,324
Strategic services	–	8,410	8,410
Core	–	6,267	6,267
Global Enterprise	–	14,677	14,677
Global Wholesale	–	5,703	5,703
Other	–	456	456
Intersegment revenues	103	1,063	1,166
Total operating revenues	81,023	39,223	120,246
Cost of services and sales	23,648	21,928	45,576
Selling, general and administrative expense	23,176	8,595	31,771
Depreciation and amortization expense	8,202	8,327	16,529
Total operating expenses	55,026	38,850	93,876
Operating income	$ 25,997	$ 373	$ 26,370
Assets	$ 146,429	$ 84,573	$ 231,002
Plant, property and equipment, net	35,932	51,885	87,817
Capital expenditures	9,425	6,229	15,654

(dollars in millions)

2012	Wireless	Wireline	Total Segments
External Operating Revenues			
Retail service	$ 61,383	$ –	$ 61,383
Other service	2,290	–	2,290
Service revenue	63,673	–	63,673
Equipment	8,010	–	8,010
Other	4,096	–	4,096
Consumer retail	–	14,043	14,043
Small business	–	2,648	2,648
Mass Markets	–	16,691	16,691
Strategic services	–	8,052	8,052
Core	–	7,240	7,240
Global Enterprise	–	15,292	15,292
Global Wholesale	–	6,177	6,177
Other	–	508	508
Intersegment revenues	89	1,112	1,201
Total operating revenues	75,868	39,780	115,648
Cost of services and sales	24,490	22,413	46,903
Selling, general and administrative expense	21,650	8,883	30,533
Depreciation and amortization expense	7,960	8,424	16,384
Total operating expenses	54,100	39,720	93,820
Operating income	$ 21,768	$ 60	$ 21,828
Assets	$ 142,485	$ 84,815	$ 227,300
Plant, property and equipment, net	34,545	52,911	87,456
Capital expenditures	8,857	6,342	15,199

(dollars in millions)

2011	Wireless	Wireline	Total Segments
External Operating Revenues			
Retail service	$ 56,601	$ –	$ 56,601
Other service	2,497	–	2,497
Service revenue	59,098	–	59,098
Equipment	7,446	–	7,446
Other	3,517	–	3,517
Consumer retail		13,605	13,605
Small business	–	2,720	2,720
Mass Markets	–	16,325	16,325
Strategic services		7,607	7,607
Core	–	8,014	8,014
Global Enterprise	–	15,621	15,621
Global Wholesale		6,795	6,795
Other	–	704	704
Intersegment revenues	93	1,237	1,330
Total operating revenues	70,154	40,682	110,836
Cost of services and sales	24,086	22,158	46,244
Selling, general and administrative expense	19,579	9,107	28,686
Depreciation and amortization expense	7,962	8,458	16,420
Total operating expenses	51,627	39,723	91,350
Operating income	$ 18,527	$ 959	$ 19,486
Assets	$ 147,378	$ 86,185	$ 233,563
Plant, property and equipment, net	33,451	54,149	87,600
Capital expenditures	8,973	6,399	15,372

Reconciliation to Consolidated Financial Information

A reconciliation of the segment operating revenues to consolidated operating revenues is as follows

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Operating Revenues			
Total reportable segments	**$ 120,246**	**$ 115,648**	**$ 110,836**
Reconciling items			
Corporate eliminations and other	304	198	39
Consolidated operating revenues	$ 120,550	$ 115,846	$ 110,875

A reconciliation of the total of the reportable segments' operating income to consolidated income before (provision) benefit for income taxes is as follows

(dollars in millions)

Years Ended December 31,	2013	2012	2011
Operating Income			
Total segment operating income	$ 20,370	$ 21,828	$ 19,486
Severance, pension and benefit credits (charges) (Note 11)	6,232	(7,186)	(5,954)
Gain on spectrum license transaction (Note 2)	278	-	-
Litigation settlements (Note 16)	–	(384)	–
Other costs (Note 8)	-	(276)	-
Corporate eliminations and other	(912)	(822)	(652)
Consolidated operating income	31,968	13,160	12,880
Equity in earnings of unconsolidated businesses	142	324	444
Other income and (expense), net	(166)	(1,016)	(14)
Interest expense	(2,667)	(2,571)	(2,827)
Income Before (Provision) Benefit for Income Taxes	$ 29,277	$ 9,897	$ 10,483

A reconciliation of the total of the reportable segments' assets to consolidated assets is as follows

(dollars in millions)

At December 31,	2013	2012
Assets		
Total reportable segments	$ 231,002	$ 227,300
Corporate eliminations and other	43,096	(2,078)
Total consolidated	$ 274,098	$ 225,222

Corporate eliminations and other at December 31, 2012 is primarily comprised of cash and cash equivalents which were used to complete the Wireless Transaction on February 21, 2014.

We generally account for intersegment sales of products and services and asset transfers at current market prices. No single customer accounted for more than 10% of our total operating revenues during the years ended December 31, 2013, 2012 and 2011. International operating revenues and long-lived assets are not significant.

Comprehensive Income

Comprehensive income consists of net income and other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income. Significant changes in the components of Other comprehensive income, net of provision for income taxes are described below.

Accumulated Other Comprehensive Income

The changes in the balances of Accumulated other comprehensive income by component are as follows:

(dollars in millions)	Foreign currency translation adjustments	Unrealized gain on cash flow hedges	Unrealized gain on marketable securities	Defined benefit pension and postretirement plans	Total
Balance at January 1, 2013	$ 793	$ 88	$ 101	$ 1,253	$ 2,235
Other comprehensive income	60	50	33	-	143
Amounts reclassified to net income	–	(25)	(17)	22	(20)
Net other comprehensive income	60	25	16	22	123
Balance at December 31, 2013	$ 853	$ 113	$ 117	$ 1,275	$ 2,358

The amounts presented above in net other comprehensive income are net of taxes and noncontrolling interests which are not significant. For the year ended December 31, 2013, the amounts reclassified to net income related to defined benefit pension and postretirement plans in the table above are included in Cost of services and sales and Selling, general and administrative expense on our consolidated statements of income. For the year ended December 31, 2013, all other amounts reclassified to net income in the table above are included in Other income (expense) net on our consolidated statements of income.

Foreign Currency Translation Adjustments

The change in Foreign currency translation adjustments during 2013, 2012 and 2011 was primarily related to our investment in Vodafone Omnitel N.V. and was primarily driven by the movements of the U.S. dollar against the Euro.

Net Unrealized Gains (Losses) on Cash Flow Hedges

During 2013, 2012 and 2011, Unrealized gains (losses) on cash flow hedges included in Other comprehensive income (loss) attributable to noncontrolling interests, primarily reflect activity related to a cross-currency swap (see Note 9). Reclassification adjustments for gains (losses) realized in net income were not significant.

Net Unrealized Gains (Losses) on Marketable Securities

During 2013, 2012 and 2011, reclassification adjustments on marketable securities for gains (losses) realized in net income were not significant.

Defined Benefit Pension and Postretirement Plans

The change in Defined benefit pension and postretirement plans at December 31, 2013 was not significant.

The change in Defined benefit pension and postretirement plans of $0.9 billion, net of taxes of $0.6 billion at December 31, 2012 was primarily a result of plan amendments.

Additional Financial Information

The tables that follow provide additional financial information related to our consolidated financial statements

Income Statement Information

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Depreciation expense	$ 15,019	$ 14,920	$ 14,991
Interest costs on debt balances	3,421	2,977	3,269
Capitalized interest costs	(754)	(406)	(442)
Advertising expense	2,438	2,381	2,523

Balance Sheet Information

At December 31,	2013	2012
	(dollars in millions)	
Accounts Payable and Accrued Liabilities		
Accounts payable	$ 4,954	$ 4,454
Accrued expenses	3,954	4,529
Accrued vacation, salaries and wages	4,790	5,006
Interest payable	1,199	632
Taxes payable	1,556	1,561
	$ 16,453	$ 16,182
Other Current Liabilities		
Advance billings and customer deposits	$ 2,829	$ 3,554
Dividends payable	1,539	1,494
Other	2,296	1,357
	$ 6,664	$ 6,405

Cash Flow Information

Years Ended December 31,	2013	2012	2011
		(dollars in millions)	
Cash Paid			
Interest, net of amounts capitalized	$ 2,122	$ 1,971	$ 2,629

Common stock has been used from time to time to satisfy some of the funding requirements of employee and shareowner plans, including 24.6 million common shares issued from Treasury stock during 2012, related to dividend payments, which had an aggregate value of $1.0 billion

Note 12
Commitments and Contingencies

In the ordinary course of business Verizon is involved in various commercial litigation and regulatory proceedings at the state and federal level. Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Company establishes an accrual. In none of the currently pending matters is the amount of accrual material. An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings, including (1) uncertain damage theories and demands, (2) a less than complete factual record, (3) uncertainty concerning legal theories and their resolution by courts or regulators, and (4) the unpredictable nature of the opposing party and its demands. We continuously monitor these proceedings as they develop and adjust any accrual or disclosure as needed. We do not expect that the ultimate resolution of any pending regulatory or legal matter in future periods, including the Hicksville matter described below, will have a material effect on our financial condition, but it could have a material effect on our results of operations for a given reporting period.

During 2003, under a government-approved plan, remediation commenced at the site of a former Sylvania facility in Hicksville, New York that processed nuclear fuel rods in the 1950s and 1960s. Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted. A reassessment of costs related to remediation efforts at several other former facilities was also undertaken. In September 2005, the Army Corps of Engineers (ACE) accepted the Hicksville site into the Formerly Utilized Sites Remedial Action Program. This may result in the ACE performing some or all of the remediation effort for the Hicksville site with a corresponding decrease in costs to Verizon. To the extent that the ACE assumes responsibility for remedial work at the Hicksville site, an adjustment to a reserve previously established for the remediation may be made. Adjustments to the reserve may also be made based upon actual conditions discovered during the remediation at this or any other site requiring remediation.

Verizon is currently involved in approximately 50 federal district court actions alleging that Verizon is infringing various patents. Most of these cases are brought by non-practicing entities and effectively seek only monetary damages, a small number are brought by companies that sell products and seek injunctive relief as well. These cases have progressed to various degrees and a small number may go to trial in the coming 12 months if they are not otherwise resolved. In the third quarter of 2012, we settled a number of patent litigation matters including cases with ActiveVideo Networks Inc. (ActiveVideo) and TiVo Inc. (TiVo). In connection with the settlements with ActiveVideo and TiVo, we recorded a charge of $0.4 billion in the third quarter of 2012 and will pay and recognize over the following six years an additional $0.2 billion.

In connection with the execution of agreements for the sales of businesses and investments, Verizon ordinarily provides representations and warranties to the purchasers pertaining to a variety of nonfinancial matters, such as ownership of the securities being sold, as well as indemnity from certain financial losses. From time to time, counterparties may make claims under these provisions, and Verizon will seek to defend against these claims and resolve them in the ordinary course of business.

Subsequent to the sale of Verizon Information Services Canada in 2004, we continue to provide a guarantee to publish directories, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions). The preexisting guarantee continues without modification, despite the subsequent sale of Verizon Information Services Canada and the spin-off of our domestic print and Internet yellow pages directories business. The possible financial impact of the guarantee, which is not expected to be adverse, cannot be reasonably estimated as a variety of the potential outcomes available under the guarantee result in costs and revenues or benefits that may offset each other. We do not believe performance under the guarantee is likely.

As of December 31, 2013, letters of credit totaling approximately $0.1 billion, which were executed in the normal course of business and support several financing arrangements and payment obligations to third parties, were outstanding.

We have several commitments primarily to purchase handsets and peripherals, equipment, software, programming and network services, and marketing activities, which will be used or sold in the ordinary course of business, from a variety of suppliers totaling $33.4 billion. Of this total amount, $19.7 billion is attributable to 2014, $8.8 billion is attributable to 2015 through 2016, $4.1 billion is attributable to 2017 through 2018 and $0.8 billion is attributable to years thereafter. These amounts do not represent our entire anticipated purchases in the future, but represent only those items that are the subject of contractual obligations. Our commitments are generally determined based on the noncancelable quantities or termination amounts. Purchases against our commitments for 2013 totaled approximately $16 billion. Since the commitments to purchase programming services from television networks and broadcast stations have no minimum volume requirement, we estimated our obligation based on number of subscribers at December 31, 2013, and applicable rates stipulated in the contracts in effect at that time. We also purchase products and services as needed with no firm commitment.

Note 13
Quarterly Financial Information (Unaudited)

(dollars in millions, except per share amounts)

Quarter Ended	Operating Revenues	Operating Income (Loss)	Net Income (Loss) attributable to Verizon [1] Amount	Per Share-Basic	Per Share-Diluted	Net Income (Loss)
2013						
March 31	$ 29,420	$ 6,222	$ 1,952	$ .68	$ .68	$ 4,855
June 30	29,786	6,555	2,246	.78	.78	5,198
September 30	30,279	7,128	2,232	.78	.78	5,578
December 31	31,065	12,063	5,067	1.77	1.76	7,916
2012						
March 31	$ 28,242	$ 5,195	$ 1,686	$ .59	$ .59	$ 3,906
June 30	28,552	5,651	1,825	.64	.64	4,285
September 30	29,007	5,483	1,593	.56	.56	4,292
December 31	30,045	(3,169)	(4,229)	(1.48)	(1.48)	(1,926)

- Results of operations for the second quarter of 2013 include after-tax credits attributable to Verizon of $0.1 billion related to a pension remeasurement.
- Results of operations for the third quarter of 2012 include immaterial after-tax credits attributable to Verizon related to a gain on a spectrum license transaction as well as immaterial after-tax costs attributable to Verizon related to the Wireless Transaction.
- Results of operations for the fourth quarter of 2013 include after-tax credits attributable to Verizon of $3.7 billion related to severance, pension and benefit credits, as well as after-tax costs attributable to Verizon of $0.5 billion related to the Wireless Transaction.
- Results of operations for the third quarter of 2012 include after-tax charges attributable to Verizon of $0.2 billion related to legal settlements.
- Results of operations for the fourth quarter of 2012 include after-tax charges attributable to Verizon of $5.4 billion related to severance, pension and benefit charges and early debt redemption and other costs.

[1] Net income (loss) attributable to Verizon per common share is computed independently for each quarter and the sum of the quarters may not equal the annual amount.

EXHIBIT 21

Verizon Communications Inc. and Subsidiaries
Principal Subsidiaries of Registrant at December 31, 2013

Name	Jurisdiction of Organization
Verizon California Inc.	California
Verizon Delaware LLC	Delaware
Verizon Florida LLC	Florida
Verizon Maryland LLC	Delaware
Verizon New England Inc.	New York
Verizon New Jersey Inc.	New Jersey
Verizon New York Inc.	New York
Verizon Pennsylvania LLC	Delaware
GTE Southwest Incorporated (d/b/a Verizon Southwest)	Delaware
Verizon Virginia LLC	Virginia
Bell Atlantic Mobile Systems LLC	Delaware
Cellco Partnership (d/b/a Verizon Wireless)	Delaware
GTE Corporation	New York
GTE Wireless Incorporated	Delaware
MCI Communications Corporation	Delaware
Verizon Business Global LLC	Delaware
Cranberry Properties LLC	Delaware

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Verizon Communications Inc. (Verizon) of our reports dated February 27, 2014, with respect to the consolidated financial statements of Verizon and the effectiveness of internal control over financial reporting of Verizon, included in the 2013 Annual Report to Shareowners of Verizon.

Our audits also included the financial statement schedule of Verizon listed in Item 15(a). This schedule is the responsibility of Verizon's management. Our responsibility is to express an opinion based on our audits. In our opinion, as to which the date is February 27, 2014, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also consent to the incorporation by reference in the following registration statements of Verizon and where applicable related Prospectuses, of our reports dated February 27, 2014, with respect to the consolidated financial statements of Verizon and the effectiveness of internal control over financial reporting of Verizon, incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule of Verizon included in this Annual Report (Form 10-K) for the year ended December 31, 2013: Form S-4, No. 333-11573, Form S-8, No. 333-41593, Form S-8, No. 333-50146, Form S-4, No. 333-76171, Form S-8, No. 333-76171, Form S-8, No. 333-53830, Form S-8, No. 333-82690, Form S-4, No. 333-124008, Form S-8, No. 333-124008, Form S-4, No. 333-132651, Form S-8, No. 333-169267, Form S-8, No. 333-172501, Form S-8, No. 333-172999, Form S-3, No. 333-182749, Form S-3, No. 333-190954 and Form S-4, No. 333-191628.

/s/ Ernst & Young LLP
Ernst & Young LLP
New York, New York
February 27, 2014

EXHIBIT 31.1

I, Lowell C. McAdam, certify that:

1. I have reviewed this annual report on Form 10-K of Verizon Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Francis J. Shammo, certify that:

1. I have reviewed this annual report on Form 10-K of Verizon Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002, PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell C. McAdam, Chairman and Chief Executive Officer of Verizon Communications Inc. (the Company), certify that:

(1) the report of the Company on Form 10-K for the annual period ending December 31, 2013 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: February 27, 2014

/s/ Lowell C. McAdam
Lowell C. McAdam
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

I, Francis J. Shammo, Executive Vice President and Chief Financial Officer of Verizon Communications Inc. (the Company), certify that

(1) the report of the Company on Form 10-K for the annual period ending December 31, 2013 (the Report) fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act), and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods referred to in the Report.

Date: February 27, 2014

/s/ Francis J. Shammo
Francis J. Shammo
Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Verizon Communications Inc. and will be retained by Verizon Communications Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99

Selected Corporate Governance and Executive Compensation Information included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014

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Business Conduct and Ethics

Verizon is committed to operating our business with the highest level of integrity, responsibility and accountability. We have adopted a Code of Conduct that applies to all employees, including the Chief Executive Officer (CEO), the Chief Financial Officer and the Controller. The Code of Conduct describes each employee's responsibility to conduct business with the highest ethical standards and provides guidance in preventing, reporting and remediating potential compliance violations in key areas. Directors are expected to act in compliance with the spirit of the Code of Conduct, as well as comply with the specific ethical provisions of the Corporate Governance Guidelines. We have posted the Code of Conduct on the Corporate Governance section of our website at www.verizon.com/investor. You can also obtain a copy by writing to the Assistant Corporate Secretary at the address given under "Contacting Verizon."

The Board is strongly predisposed against waiving any of the business conduct and ethics provisions applicable to Directors or executive officers. In the event of a waiver, we will promptly disclose the Board's action on our website.

Related Person Transaction Policy

The Board has adopted the Related Person Transaction Policy that is included in the Guidelines, which can be found in Appendix A. The Corporate Governance and Policy Committee reviews transactions involving Verizon and any of our Directors or executive officers or their immediate family members to determine if any of the individual participants has a material interest in the transaction. Based on the facts and circumstances of each case, the Committee may approve, disapprove, ratify or cancel the transaction or recommend another course of action. Any member of the Committee who is involved in a transaction under review cannot participate in the Committee's decision about that transaction.

From time to time Verizon may have employees who are related to our executive officers or Directors. Francis J. Shammo, Executive Vice President and Chief Financial Officer, has a brother-in-law who is employed by one of the Company's subsidiaries and earned approximately $358,000 in 2013. W. Robert Mudge, President – Consumer and

Mass Business Markets, has a brother who is employed by one of the Company's subsidiaries and earned approximately $126,000 in 2013. In each case, the amount of compensation was commensurate with that of other employees in similar positions.

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Independence

Verizon's Corporate Governance Guidelines require that a substantial majority of the members of the Board be independent Directors. The Guidelines establish standards for evaluating the independence of each Director. A Director is considered independent if the Board finds that the Director is independent under the NYSE's and Nasdaq's governance standards and the additional standards included in the Guidelines, which identify the types of relationships that, if material, would impair a Director's independence. The standards set monetary thresholds at which the Board would consider the relationships to be material. To determine that a Director is independent, the Board must find that a Director does not have any relationship that is likely to impair his or her ability to act independently. The Board makes this determination by evaluating the facts and circumstances for each Director.

The Corporate Governance and Policy Committee conducts an annual review of the independence of members of the Board and its Committees and reports its findings to the full Board. Based on the recommendation of the Corporate Governance and Policy Committee, the Board has determined that the 10 incumbent non-employee Directors who are standing for election are independent: Shellye Archambeau, Richard Carrion, Melanie Healey, M. Frances Keeth, Robert Lane, Donald Nicolaisen, Clarence Otis, Jr., Rodney Slater, Kathryn Tesija and Gregory Wasson. The Board also determined that Sandra Moose, Joseph Neubauer and Hugh Price, who are retiring from the Board in April 2014 and are not standing for re-election, are independent.

In determining the independence of Mr. Carrion, Ms. Healey, Mr. Neubauer, Mr. Otis, Mr. Price, Mr. Slater, Ms. Tesija and Mr. Wasson, the Board considered payments for telecommunications services and solutions that the companies that employ them made to Verizon. In determining Mr. Neubauer's independence, the Board also considered payments that Verizon made under a competitively bid contract for food and facility management services to the company that employs him. In determining Ms. Tesija's independence, the Board also considered payments that Verizon made to the company that employs her in connection with sales of Verizon's products and services in that company's stores. In determining Mr. Wasson's independence, the Board also considered payments for workers' compensation prescription benefits that Verizon made to the company that employs him. In applying the independence standards, the independent Directors have determined that these general business transactions and relationships are not material and do not impair the ability of those Directors to act independently.

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Audit Committee

Members Donald Nicolaisen Chairperson — Clarence Otis Jr.
M Frances Keeth — Gregory Wasson
Sandra Moose

The Board has determined that each member of the Committee is an audit committee financial expert and meets the independence requirements of applicable laws, the NYSE, Nasdaq and the Guidelines

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SHELLYE L ARCHAMBEAU

Ms Archambeau, 51, is Chief Executive Officer of MetricStream Inc , a leading provider of governance risk, compliance and quality management solutions to corporations across diverse industries Under her leadership, the privately-held MetricStream has grown 2 500% over the past ten years with approximately 1,000 employees worldwide Prior to joining MetricStream in 2002 Ms Archambeau was Chief Marketing Officer and Executive Vice President of Sales for Loudcloud Inc , a leader in Internet infrastructure services Chief Marketing Officer of NorthPoint Communications and President of Blockbuster Inc s e-commerce division Before joining Blockbuster, she held domestic and international executive positions during a 15-year career at IBM

Ms Archambeau brings to the Board, among other skills and qualifications, leadership experience in technology, e-commerce, digital media and communications An active participant in Silicon Valley s emerging company community, her in-depth knowledge of the technology sector and extensive background in the application of emerging technologies to address business challenges uniquely position her to advise the Board and senior management on implementing the Company's growth strategies Ms Archambeau's experience developing and marketing telecommunications and Internet services and solutions gives her insight into areas critical to Verizon's success

Ms Archambeau has served as a Director of Verizon since December 2013 In the past five years she has served on the board of Arbitron, Inc

RICHARD L. CARRIÓN

Mr. Carrión, 61 has served for over 18 years as Chairman, President and Chief Executive Officer of both Popular, Inc., a diversified bank holding company, and Banco Popular de Puerto Rico, Popular Inc.'s principal bank subsidiary Popular, Inc is the largest financial institution based in Puerto Rico, with consolidated assets of $36 billion, total deposits of $27 billion and 8 059 employees as of December 31, 2012 In addition to his experience guiding these companies, Mr Carrión has been a class A director of the Federal Reserve Bank of New York since 2008 In that role he contributes to the formulation of monetary policy, oversight of the bank's operational risk management and the review and appointment of senior management of the bank

As a result of his tenure as Chairman, President and Chief Executive Officer of Popular, Inc and Banco Popular de Puerto Rico, Mr Carrion brings to the Board a strong operational and strategic background and extensive business, leadership and management experience In addition Mr Carrión's knowledge of business and consumer services gives him insights into providing services to retail and business customers, activities that make up a significant portion of Verizon's business Mr. Carrión's experience at the Federal Reserve Bank of New York also enables him to advise the Board and senior management on risk management, which is an important area for a large complex organization like Verizon

Mr Carrion has served as a Director of Verizon since 1997 and was a director of NYNEX Corporation from 1995 to 1997 He is Chairperson of the Finance Committee and a member of the Corporate Governance and Policy Committee and the Human Resources Committee

MELANIE L HEALEY

Ms Healey 52 is Group President – North America and Global Hyper-Market Super-Market and Mass Channel of The Procter & Gamble Company, a provider of branded consumer packaged goods to customers in over 180 countries around the world In this role Ms Healey is responsible for the overall North America business, which in fiscal 2013 had net sales of $32 8 billion Since joining Procter & Gamble in 1990 Ms Healey has held positions of increasing responsibility including Group President, Global Feminine and Health Care and President, Global Feminine Care & Adult Care

Ms Healey brings to the Board, among other skills and qualifications, an extensive background in consumer goods, marketing and international operations Her experience in marketing including more than 15 years outside the United States, uniquely positions Ms Healey to advise the Board and senior management on critical issues facing Verizon including corporate strategy with respect to brand management, the consumer experience and global growth In addition Ms Healey s leadership experience at a complex international organization with a large diverse workforce gives her a thorough understanding of the operational challenges facing Verizon

Ms Healey has served as a Director of Verizon since 2011 and is a member of the Human Resources Committee

M FRANCES KEETH

Ms. Keeth, 67, was Executive Vice President of Royal Dutch Shell plc an energy company, from 2005 to 2006 In this role, Ms Keeth was accountable for Shell's global chemicals businesses, which produced $36 3 billion in third party revenue in 2006 and operated in 35 countries From 2001 to 2005, she was also President and Chief Executive Officer of Shell Chemicals LP, Shell's U S operating company through which it conducted all of its operations in the United States During her 37-year career, Ms Keeth held multiple positions of increasing responsibility at Shell, including serving as Executive Vice President, Finance and Business Systems, and Executive Vice President, Customer Fulfillment and Product Business Units In addition, from 1996 to 1997, Ms Keeth was controller and principal accounting officer of Mobil Corporation

Ms Keeth's extensive senior leadership experience at Shell, a complex global business organization, positions her well to advise the Board and senior management on a wide range of strategic and financial matters Ms Keeth brings to the Board, among other skills and qualifications, valuable business, leadership and operations management experience in a global capital-intensive business As a result of this experience, she is able to provide insights into many aspects of our business, including business systems, public accounting and finance Ms Keeth also has extensive expertise in international operations and strategic partnerships, which assists the Company in implementing our growth strategies

Ms Keeth has served as a Director of Verizon since 2006 and is a member of the Audit Committee the Human Resources Committee, and the Finance Committee She is also a director of Arrow Electronics, Inc (since 2004) and, in the past five years, she has served as a director of Peabody Energy Corporation

ROBERT W LANE

Mr Lane, 64, served as Chairman and Chief Executive Officer of Deere & Company from 2000 to 2009. Deere & Company is an equipment manufacturer that in fiscal 2009 had net sales and revenues of $23 1 billion and approximately 51,300 employees as of October 31, 2009 During his 28 years at Deere, Mr Lane held positions of increasing responsibility across a wide variety of domestic and overseas units These positions included serving as President and Chief Operating Officer of the company, President of the Worldwide Agricultural Equipment Division, Chief Financial Officer of the company and President and Chief Operating Officer of Deere Credit, Inc

Mr. Lane's tenure as Chairman and Chief Executive Officer of Deere & Company and as a senior executive in several of its business units provides him with valuable business, leadership and management experience, including experience leading a large, complex organization with global operations This background gives him a global perspective that positions him well to advise the Board and senior management on implementing the Company s growth strategies, Mr Lane also brings to the Board an extensive background in manufacturing, marketing, operations and finance

Mr. Lane has served as a Director of Verizon since 2004 and is a member of the Finance Committee. He is also a director of General Electric Company (since 2005) and Northern Trust Corporation (since 2009) and a member of the supervisory board of BMW AG (since 2009). In the past five years, Mr. Lane has served on the board of Deere & Company as its Chairman

LOWELL C. MCADAM

Mr McAdam 59 is Chairman and Chief Executive Officer of Verizon Communications Inc. Mr McAdam became Chief Executive Officer on August 1, 2011 and Chairman on January 1, 2012. From October 2010 until becoming Chief Executive Officer, Mr McAdam served as President and Chief Operating Officer and had responsibility for the operations of the Company's network-based businesses–Verizon Wireless and Verizon Telecom and Business–as well as Verizon's shared services operations Prior to assuming this role, Mr. McAdam held key executive positions at Verizon Wireless from its inception in 2000 and was instrumental in building Verizon Wireless into an industry-leading wireless provider He was President and Chief Executive Officer of Verizon Wireless from 2007 until 2010, and before that served as the company's Executive Vice President and Chief Operating Officer Before the formation of Verizon Wireless, Mr McAdam held executive positions with PrimeCo Personal Communications, a joint venture owned by Bell Atlantic and Vodafone AirTouch, AirTouch Communications and Pacific Bell

Mr McAdam brings to the Board a unique understanding of our strategies and operations through his broad experience in the telecommunications industry and his pivotal role in the development of Verizon Wireless Mr McAdam serves a key leadership role on the Board, providing the Board with an in-depth knowledge of the Company's business, industry, challenges and opportunities His extensive leadership experience enables Mr McAdam to play a key role in all matters involving our Board and positions him well to act not only as the Board's Chairman, but also as the principal intermediary between management and the independent members of our Board

Mr McAdam has served as a Director of Verizon since 2011 Mr McAdam has been a member of the Board of Representatives of Verizon Wireless since 2003 and has served as its Chairman since 2010

DONALD T. NICOLAISEN

Mr Nicolaisen, 69, was Chief Accountant of the U S Securities and Exchange Commission from 2003 to 2005 In that role, Mr Nicolaisen was responsible for establishing and enforcing accounting and auditing policy applicable to all U S. reporting companies and for improving the professional performance of public company auditors Prior to joining the SEC, he was a Partner in PricewaterhouseCoopers and its predecessors, which he joined in 1967 At PricewaterhouseCoopers, Mr. Nicolaisen served on the firm's global and international boards, led the firm's national office for accounting and SEC services from 1988 to 1994, led the firm's financial services practice, and was responsible for auditing and providing risk management advice to large, complex multinational firms

Mr Nicolaisen brings to the Board a range of experience in leadership positions in both the public and private sector His extensive experience as Chief Accountant at the SEC, an outside strategic advisor to multinational companies and a senior leader of one of the world s largest accounting firms enables him to advise the Board and senior management on accounting matters, government relations and public policy. Mr Nicolaisen's unique financial and accounting background also provides financial expertise to the Board, including an in-depth understanding of risk management, corporate finance and accounting, as well as the numerous issues facing a public reporting company.

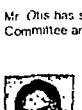
Mr Nicolaisen has served as a Director of Verizon since 2005 and is Chairperson of the Audit Committee and a member of the Corporate Governance and Policy Committee. He is also a director of MGIC Investment Corporation (since 2006), Morgan Stanley (since 2006) and Zurich Insurance Group (since 2006).

CLARENCE OTIS, JR.

Mr Otis, 57, has been Chairman of Darden Restaurants, Inc., a restaurant holding company, since 2005 and Chief Executive Officer since 2004 Darden Restaurants is the largest company-owned and operated full-service restaurant company in the world As of May 26, 2013, the company's 206,000 employees operated 2,138 restaurants in the United States and Canada and generated fiscal 2013 sales of $8 5 billion Mr Otis joined Darden in 1995 as Vice President and Treasurer and held positions of increasing responsibility, including serving as Chief Financial Officer from 1999 until 2002, Executive Vice President from 2002 to 2004 and President of Smokey Bones Barbeque & Grill, a restaurant concept formerly owned and operated by Darden Restaurants, from 2002 to 2004 In addition, Mr Otis has served as a class B director of the Federal Reserve Bank of Atlanta since 2010 In that role, he contributes to the formulation of monetary policy, oversight of the bank's operational risk management and the review and appointment of senior management of the bank

Mr Otis brings to the Board among other skills and qualifications a broad background in consumer services retail operations and finance, which are critical areas for Verizon He has extensive business, leadership and management experience Mr Otis leads a complex organization with a large diverse workforce, which gives him a thorough understanding of many of the operational challenges Verizon faces In addition as a result of his experience at the Federal Reserve Bank of Atlanta Mr Otis is positioned well to advise the Board and senior management on risk management, which is an important area for a large, complex organization like Verizon

Mr Otis has served as a Director of Verizon since 2006 and is a member of the Audit Committee, the Finance Committee and the Human Resources Committee He is also a director of VF Corporation (since 2004)



RODNEY E SLATER

Mr Slater, 59, is a partner at the law firm Patton Boggs LLP, focusing his practice in the areas of transportation and infrastructure and public policy Prior to joining Patton Boggs from February 1997 to January 2001 Mr. Slater was the U S Secretary of Transportation In that position Mr Slater was responsible for overseeing national transportation policy, encouraging intermodal transportation, negotiating international transportation agreements and assuring the fitness of U S airlines Prior to his appointment as Secretary of Transportation from 1993 to 1997, Mr Slater was the Administrator of the Federal Highway Administration which provides financial and technical support for constructing, improving and preserving the U S highway system

Mr Slater's experience as the U S Secretary of Transportation and as the Administrator of the Federal Highway Administration positions him well to provide oversight to our Company which operates in a highly regulated industry, and to advise the Board and senior management on logistics strategic partnerships, government relations and public policy Each of these areas is an important focus for Verizon and has a fundamental impact on the way the Company operates Mr Slater also brings to the Board his experience guiding clients in developing infrastructure as well as insights on the role of law in our business

Mr Slater has served as a Director of Verizon since 2010 and is a member of the Corporate Governance and Policy Committee He is also a director of Kansas City Southern (since 2001) Transurban Group (since 2009) and Atkins plc (since 2011) In the past five years, Mr Slater has served as a director of Delta Air Lines, Inc and ICx Technologies Inc

KATHRYN A. TESIJA

Ms Tesija, 51, is Executive Vice President, Merchandising and Supply Chain and a member of the Executive Committee of Target Corporation, the second largest discount retailer in the United States with 1,782 stores, revenues of $70 0 billion and approximately 365,000 employees in fiscal 2012 In this role, which she has held since 2008 Ms Tesija oversees all merchandising functions including product design and development sourcing inventory management merchandising systems presentation and operations as well as the company's global supply chain Ms Tesija joined Target in 1986 and was appointed to numerous positions of increasing responsibility at the company, ranging from Director Merchandise Planning to Senior Vice President Hardlines Merchandising

As a result of her long tenure at Target Ms Tesija has gained broad business and leadership experience Along with her significant management skills, Ms Tesija brings to the Board an in-depth knowledge of the retail industry, expertise in leading the complex, large-scale, global retail functions of merchandising and supply chain and significant insight into consumer behavior, which give her a thorough understanding of many important issues facing Verizon Her extensive background positions Ms Tesija well to advise the Verizon Board and senior management on implementing the Company s strategies

Ms Tesija has served as a Director of Verizon since December 2012 and is a member of the Corporate Governance and Policy Committee

GREGORY D. WASSON

Mr. Wasson 55, is President and Chief Executive Officer of Walgreen Co the nation's largest retail drugstore chain which in fiscal 2013 had $72 2 billion of net sales, 8 582 locations and 240,000 employees In June 2012, Walgreens announced a strategic partnership with Alliance Boots the leading pharmacy-led health and beauty group across Europe with a presence in more than 25 countries Mr Wasson has served as President and Chief Executive Officer and as a member of the board of directors of Walgreens since 2009 A registered pharmacist he joined the company in 1980 and was appointed to positions of increasing responsibility, including Pres dent of Walgreens Health Initiatives in 2002 Senior Vice President of Walgreens in 2004, Executive Vice President of Walgreens in 2005 and President and Chief Operating Officer of Walgreens in 2007

As Chief Executive Officer of Walgreens Mr. Wasson has gained valuable operational and management experience at a complex organization with a large, diverse workforce and significant global operations which gives him a thorough understanding of the challenges facing Verizon in implementing our growth strategies Mr Wasson brings to the Board an in-depth knowledge of the retail industry and insight into the consumer experience In addition his extensive background in the healthcare industry positions Mr Wasson well to advise the Board and senior management on an area of increasing importance to Verizon's evolving business strategy

Mr Wasson has served as a Director of Verizon since March 2013 and is a member of the Audit Committee and the Human Resources Committee.

Ratification of Appointment of Independent Registered Public Accounting Firm
(Item 2 on Proxy Card)

The Audit Committee of the Board considered the performance and qualifications of Ernst & Young LLP, and has reappointed the independent registered public accounting firm to examine the financial statements of Verizon for the fiscal year 2014 and to examine the effectiveness of internal control over financial reporting Ernst & Young has been retained as Verizon's Independent Registered Public Accounting Firm since 2000

Verizon paid the following fees to Ernst & Young for services rendered during fiscal years 2013 and 2012

	2013	2012
Audit fees	$ 24.6 million	$23 9 million
Audit-related fees	$ 4 6 million	$3 3 million
Tax fees	$4 0 million	$3 8 million
All other fees	$1 1 million	$0 7 million

Audit fees include the financial statement audit, the audit of the effectiveness of the Company's internal control over financial reporting required by the Sarbanes-Oxley Act of 2002, as well as financial statement audits required by statute for our foreign subsidiaries or by regulatory agencies in the United States Audit-related fees primarily include audits of other subsidiaries employee benefit plan audits, reviews of controls over services provided to customers, as well as other audit and due diligence procedures performed in connection with acquisitions or dispositions Tax fees primarily consist of federal, state, local and international tax planning and compliance All other fees primarily consist of support services to certain Verizon expatriate employees The Committee considered, in consultation with management and the independent registered public accounting firm, whether the provision of these services is compatible with maintaining the independence of Ernst & Young

The Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to perform audit services In order to assure continuing auditor independence, the Committee periodically considers whether there should be a regular rotation of the independent registered public accounting firm The Committee ensures that the mandated rotation of the independent registered public accounting firm's personnel occurs routinely and is directly involved in the selection of Ernst & Young's lead engagement partner

The Committee has established policies and procedures regarding pre-approval of services provided by the independent registered public accounting firm and is responsible for the audit fee negotiations associated with the engagement of the independent registered public accounting firm At the beginning of the fiscal year, the Committee pre-approves the engagement of the independent registered public accounting firm to provide audit services based on fee estimates. The Committee also pre-approves proposed audit-related services, tax services and other permissible services, based on specified project and service details, fee estimates, and aggregate fee limits for each service category The Committee receives a report at each meeting on the status of services provided or to be provided by the independent registered public accounting firm and the related fees and all fees are approved.

The affirmative vote of a majority of the shares cast at the annual meeting is required to ratify the reappointment of Ernst & Young for the 2014 fiscal year The Committee believes that the continued retention of Ernst & Young to serve as Verizon's independent registered public accounting firm is in the best interests of Verizon and its shareholders If this appointment is not ratified by the shareholders, the Committee will reconsider its decision

One or more representatives of Ernst & Young will be at the 2014 Annual Meeting of Shareholders They will have an opportunity to make a statement and will be available to respond to appropriate questions.

The Board of Directors recommends that you vote FOR ratification.

Compensation Committee Report

The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussions, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the Compensation Discussion and Analysis in this proxy statement and the Company's Annual Report on Form 10-K.

Respectfully submitted,

Human Resources Committee

Joseph Neubauer, Chairperson
Richard Carrión
Melanie Healey
M Frances Keeth
Clarence Otis, Jr
Gregory Wasson

Dated February 25, 2014

Compensation Discussion and Analysis

The Human Resources Committee of the Board of Directors oversees the development and implementation of the total compensation program for Verizon's named executive officers Throughout this discussion and analysis of compensation, we refer to the Board of Directors as the Board and the Human Resources Committee as the Committee

For 2013, Verizon's named executive officers were

Lowell C McAdam	Chairman and Chief Executive Officer
Daniel S Mead	Executive Vice President and President and Chief Executive Officer – Verizon Wireless
Francis J Shammo	Executive Vice President and Chief Financial Officer
John G Stratton	Executive Vice President and President – Verizon Enterprise Solutions
Randal S Milch	Executive Vice President – Public Policy and General Counsel

Executive Summary

Verizon's strategy is to build on the strength of our network as a platform for future growth and innovation To that end, in 2013 we focused on the growing areas of our business – mobility, broadband, video, cloud services and security. We also passed a strategic milestone, entering into a transaction that would give us sole ownership of Verizon Wireless, which we expect to enable us to better leverage our assets and capabilities across our business going forward Under the leadership of our management team, our solid execution on our strategic initiatives and our disciplined focus on our financial objectives delivered strong results in 2013 These included

Performance Metric [1]	2013 Result	Change from 2012
Adjusted EPS	$2 84	26 8%
Total Revenue	$120 6B	4 1%
Free Cash Flow	$22.2B	45.1%
Return on Equity	23.6%	654 bps

[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures can be found in Appendix C to this proxy statement.

As discussed in greater detail below, based on Verizon's strong financial performance in 2013 and total shareholder return over the past three years, the 2013 short-term incentive award was paid at 110% of its targeted level and the performance stock units granted in connection with the 2011-2013 long-term incentive award vested at the 100% level.

Summary of Executive Compensation Program and Practices

Our commitment to adopting industry-leading compensation and governance practices is reflected in the design of our compensation program Some of these elements include:

Pay-for-Performance

Approximately 90% of our named executive officers' annual total compensation opportunity is variable, at risk and incentive-based The primary components of our executive compensation program and their approximate percentage of the total compensation opportunity are as follows

- 90% variable, incentive-based pay – comprised of an annual cash incentive based on achievement of pre-established performance goals and a long-term incentive in the form of an equity-based award that vests after three years and is composed of PSUs and RSUs
- 10% fixed pay – annual cash base salary

In addition, the compensation program does not include other forms of fixed, non-performance related pay, such as guaranteed pension and supplemental retirement benefits

Benchmarking Total Compensation

The Committee benchmarks each executive's total compensation opportunity against a single peer group referred to as the Related Dow Peers and described beginning on page 32 and in Appendix B The Committee references the 50 th percentile of the Related Dow Peers for total compensation opportunity with further consideration given to the tenure and overall level of responsibility of a particular executive

Evaluation of Potential Linkage between Compensation and Risk Taking

When reviewing the compensation program and the performance metrics used under the program, the Committee considers the impact of the compensation program on the Company's risk profile The Committee believes that Verizon's compensation program has been structured to provide strong incentives for executives to appropriately balance risk and reward consistent with the Company's enterprise business risk management efforts

Shareholder Outreach Program

At the request of the Committee, management and the Committee's compensation consultant, Pearl Meyer & Partners (the Consultant), engage in a semiannual shareholder outreach program with certain institutional investors to discuss the design and operation of Verizon's executive compensation program Management and the Consultant provide a report to the Committee on the results of that outreach The Committee believes this program provides opportunities for shareholders to provide input on Verizon's executive compensation program and policies in addition to the annual say-on-pay vote

The Role of Shareholder Say-on-Pay Votes and Shareholder Outreach

The Company provides its shareholders with the opportunity to cast an annual advisory vote on executive compensation (say-on-pay) At the Company's Annual Meeting of Shareholders held in May 2013, approximately 89% of the votes cast on the say-on-pay proposal were voted in favor of the proposal The Committee considered this vote as demonstrating strong shareholder support for the Company's executive compensation programs

Based on the shareholders' strong support for the Company's say-on-pay proposal in 2013 as well as in each of the preceding years that a say-on-pay vote has been held and the discussions with the Company's investors during the semiannual shareholder outreach program described above the Company continued to apply the same effective principles and philosophies highlighted above and described more fully below that have been applied in prior years when making compensation decisions for 2013

Role of Benchmarking and Peer Group Selection

The Committee believes that it is appropriate to use the same peer group to benchmark executive pay opportunities and to evaluate Verizon's relative stock performance under its long-term incentive plan For this

purpose, the Committee uses a single peer group that includes the 29 companies (other than Verizon) in the Dow Jones Industrial Average, plus Verizon's four largest industry competitors that are not included in the Dow Jones Industrial Average. This group is referred to as the Related Dow Peers. The Committee believes that this group of companies, comprised of similarly-sized companies based on market capitalization, net income, revenue and total employees that are included in an established and recognizable index, as well as Verizon's four other largest industry competitors, is appropriate for the dual purpose of benchmarking executive pay opportunities and evaluating relative stock performance under the long-term incentive plan because the companies in the Related Dow Peers represent Verizon's primary competitors for executive talent and investor dollars. Moreover, this peer group is self-adjusting so that changes in the companies included in the Dow Jones Industrial Average are also reflected in the Related Dow Peers over time For this reason, the Committee believes that the Related Dow Peers provides a consistent measure of Verizon's performance and makes it easier for shareholders to evaluate, monitor and understand Verizon's compensation program

To determine whether the compensation opportunities for executives are appropriate and competitive the Committee compares each named executive officer's total compensation opportunity – which represents the aggregate total amount of the executive's base salary and target award amounts under the short-term and long-term incentive plans – to the total compensation opportunities for executives in comparable positions at peer companies The Committee generally references the 50 th percentile of the Related Dow Peers for total compensation opportunity, although the total compensation opportunity may be above or below the 50 th percentile depending upon the tenure and overall level of responsibility of a particular executive The Committee believes that this is an appropriate targeted level of total compensation opportunity because of Verizon's emphasis on performance-based incentive pay and Verizon's size relative to the Related Dow Peers Actual total compensation may fall above or below the targeted percentile based on annual and long-term performance results

Appendix B to this proxy statement includes a chart that lists the companies included in the Related Dow Peers for 2013 compensation purposes, their market capitalization as of December 31, 2013, as reported by Bloomberg, and their net income attributable to the company, revenue and total number of employees, as of each company's most recent fiscal year-end as reported in SEC filings

Compensation Objectives and Elements of Compensation

Compensation Objectives

Verizon's compensation program is designed to

- Align executives' and shareholders' interests through the use of performance-based compensation and
- Attract retain and motivate high-performing executives

To promote a performance-based culture that further links the interests of management and shareholders, the Committee has developed a compensation program that

- focuses extensively on variable performance-based compensation, with fixed compensation in the form of base salary constituting only approximately 10% of each executive's total compensation opportunity, and
- does not include such fixed compensation elements as guaranteed defined benefit pension and supplemental pension benefits

In establishing the mix of incentive pay used in the Company's pay-for-performance program, the Committee balances the importance of meeting the Company's short-term business goals with the need to create shareholder value over the longer term To help ensure that the interests of executives remain closely aligned with the interests of shareholders, target long-term compensation opportunities represent more than twice the target compensation opportunities related to short-term performance

Additionally, the Company's compensation program features three-year long-term incentive awards including PSUs subject to both performance-based and time-based vesting requirements and to encourage high-performing executives to remain with the Company RSUs that vest based on the executive's continued employment through the end of the three-year performance cycle

Elements of Compensation

In setting total compensation at competitive levels, the Committee determines the appropriate balance between

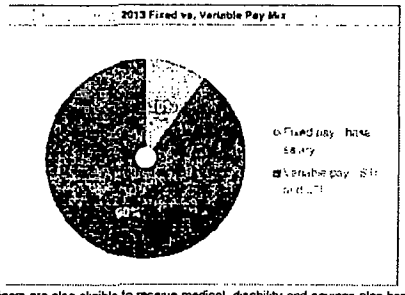
- Fixed and variable pay elements,
- Short- and long-term pay elements, and
- Cash and equity-based pay elements

The following table illustrates the principal elements of Verizon's executive compensation program

Pay Element	Characteristics	Primary Objective
Base salary	Annual fixed cash compensation	Attract and compensate high-performing and experienced executives
Short-term incentive opportunity (STI)	Annual variable cash compensation based on the achievement of annual performance measures	Incentivize executives to achieve challenging short-term performance goals
Long-term incentive opportunity (LTI)	Long-term variable equity awards granted annually as a combination of PSUs and RSUs	Align executives' interests with those of shareholders to grow long-term value and retain executives

As discussed above, the Committee references the 50th percentile of the Related Dow Peers to benchmark the total compensation opportunity of each of our named executive officers. However, the Committee does not benchmark each element of a named executive officer's total compensation opportunity. Instead, consistent with the Committee's emphasis on a performance-based culture, the Committee has determined that a substantial majority of each named executive officer's total compensation opportunity should be variable and performance-based. Accordingly, the Committee determined in its business judgment to allocate approximately 10% of each executive's total compensation opportunity in the form of base salary, approximately 15% to 25% in the form of short-term incentive, and approximately 65% to 75% in the form of long-term incentive.

The following chart illustrates the approximate allocation of the named executive officers' total compensation opportunity for 2013 between elements that are variable, performance-based and fixed pay



The named executive officers are also eligible to receive medical, disability and savings plan benefits that are generally provided to all management employees, as well as certain other benefits that are described under "Other Elements of the Total Compensation Program" beginning on page 40.

2013 Annual Base Salary

To determine an executive's base salary, the Committee, in consultation with the Consultant, reviews the competitive pay practices of the Related Dow Peers for comparable positions and considers the scope of the executive's responsibility and experience. In particular, the Committee focuses on how base salary levels may impact the market competitiveness of an executive's total compensation opportunity. The Committee also discusses its assessment of the other named executive officers with the CEO. Based on its assessment, the Committee approved a base salary increase in 2013 of 12.5% for Mr. Mead, 10.7% for Mr. Shammo, 7.4% for Mr. Stratton and 3.1% for Mr. Milch. The base salary levels of the named executive officers were adjusted with the goal of providing a total compensation opportunity that more closely approximates the 50th percentile for comparable executives within the Related Dow Peers, with approximately 10% of each named executive officer's total compensation opportunity provided in the form of base salary. In 2013 the independent members of the Board approved an increase of 7.1% for Mr. McAdam. This is the first base salary increase that Mr. McAdam has received since 2010 when he was promoted to the position of President and Chief Operating Officer of Verizon.

2013 Short-Term Incentive Compensation

The Verizon Short-Term Incentive Plan, which is referred to as the Short-Term Plan, motivates executives to achieve challenging short-term performance goals. Each year, the Committee establishes the potential value of the opportunities under the Short-Term Plan, as well as the performance targets required to achieve these opportunities.

The Committee sets the values of the Short-Term Plan award opportunities as a percentage of an executive's base salary. The applicable percentage for each named executive officer is based on the scope of the executive's responsibilities and on the competitive pay practices of the Related Dow Peers. These award opportunities are established at threshold, target and maximum levels. The Short-Term Plan award opportunities at the threshold, target and maximum levels for each of the named executive officers are shown in the Grants of Plan-Based Awards table on page 46.

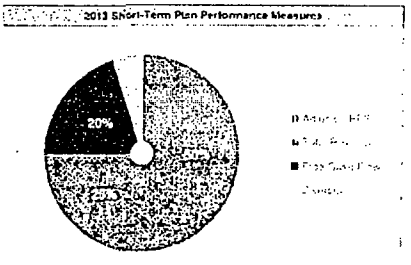
The following chart shows the 2013 Short-Term Plan target award opportunity for each of the named executive officers

Named Executive Officer	2013 Short-Term Plan Target Award Opportunity ($)
Mr. McAdam	3,750,000
Mr. Mead	990,000
Mr. Shammo	852,500
Mr. Stratton	797,500
Mr. Milch	737,000

The 2013 target award opportunities for our named executive officers, expressed as a percentage of base salary, did not increase from the target levels established for their 2012 award opportunities. Whether, and the extent to which, the named executive officers earn the targeted Short-Term Plan award is determined based on whether Verizon achieves performance measures established by the Committee at the beginning of the year.

Determination of Annual Performance Measures

The Committee reviews and establishes the performance measures for the Short-Term Plan on an annual basis to help ensure that the program design appropriately motivates executives to achieve challenging financial and operational performance goals. In the first quarter of 2013, the Committee reviewed and approved the following annual financial and operating performance measures for all corporate executives, including the named executive officers, and ascribed to each the weighting shown below as the percentage of the total Short-Term Plan award opportunity at target level performance



Consistent with 2012, the Committee based the Short-Term Plan award opportunities for all corporate executives including the named executive officers primarily on three Company-wide financial performance measures as determined by specific goals for adjusted EPS, revenue and free cash flow. These three measures were selected to reflect the Company's strategic goals of encouraging profitable operations, overall growth in the Company and efficient use of capital. The Committee believes that these performance measures are appropriate to incentivize the Company's executives to achieve outstanding short-term results and, at the same time, help build long-term value for shareholders.

Adjusted EPS. The Committee also views adjusted EPS as an important indicator of Verizon's success. The Committee assigns the greatest weight to adjusted EPS in determining awards under the Short-Term Plan because it is broadly used and recognized by investors as a significant indicator of Verizon's ongoing operational performance and is a clearly defined indicator of the Company's profitability. Adjusted EPS excludes non-recurring and non-operational items, including but not limited to impairments and gains and losses from discontinued operations, business combinations, changes in accounting principles, the net impact of pension and post-retirement benefit costs, extraordinary items and restructurings. As a result, adjusted EPS is not positively or negatively impacted from period to period by these types of items, so the Committee believes it better reflects the relative success of the Company's ongoing business.

Revenue. The Committee also views achievement of consolidated total revenue goals as an important indicator of the Company's growth and success in managing its capital investments. This measure also reflects the level of penetration of Verizon's products and services in key markets.

Free Cash Flow. The Committee views consolidated free cash flow as another important indicator of Verizon's success in delivering shareholder value because investors often consider free cash flow as part of their equity valuation models. Free cash flow is determined by subtracting capital expenditures from cash flow from operations. The Committee believes that this type of cash flow measure is relevant for Verizon because Verizon's businesses require significant capital investment, and the level of free cash flow reflects how efficiently a business is managing its capital expenditures. Free cash flow also provides an indication of the amount of cash that the Company has available to return to shareholders in the form of dividends and to reduce its outstanding debt, both of which we consider to be important goals.

Diversity. **The Company is committed to promoting diversity among its employees and to recognizing and encouraging the contribution of diverse business partners to the Company's success. To reflect that important commitment, the 2013 performance measures also include a diversity measure. For 2013, the Committee determined that the diversity target would be measured for these purposes by the percentage of new hires and promotions at and above the manager level consisting of minority and female candidates and the levels of supplier spending at the corporate level with minority- and female-owned or operated firms.**

The value of the Short-Term Plan award opportunity with respect to each performance measure varies depending on the Committee's assessment of the Company's performance with respect to that measure. The Committee also has the discretion to modify awards based on other factors that it deems appropriate.

In addition, under the Short-Term Plan no awards may be paid if Verizon's return on equity for the plan year, calculated based on adjusted net income (ROE), does not exceed 8%, even if some or all of the other performance measures are achieved.

2013 Annual Performance Measures

The 2013 annual performance measures for all corporate executives, including the named executive officers, were

- An adjusted EPS target range of $2.52 to $2.66,
- A consolidated total revenue target range of $121.4 billion to $122.0 billion,
- A consolidated free cash flow target range of $20.8 billion to $22.4 billion, and
- A diversity target of (i) having 50% of new hires and promotions at and above the manager level consist of minority and female candidates, and (ii) directing at least 10% of the overall supplier spending at the corporate level to minority- and female-owned or operated firms.

2013 Company Results and Annual Performance Awards

In 2013, Verizon reported generally strong results. Verizon's 2013 results[1] included

- ROE of 23.6%,
- Adjusted EPS of $2.84, which exceeded the target range,
- Consolidated total revenue of $120.6 billion, which was just below the target range,
- Consolidated free cash flow of $22.2 billion, which was within the target range, and
- Diversity in new hires and promotions above target performance and supplier spending above target performance.

After considering the level of performance with respect to each performance measure, and applying its business judgment based on its assessment of the level of achievement of each goal individually and collectively, the Committee and, for Mr. McAdam, the independent members of the Board, determine the final Short-Term Plan awards at a percentage of the target level for all participants. For 2013, the payout percentage was determined to be 110% of the target level for all corporate executives. The following table shows the amount of the Short-Term Plan awards paid to each named executive officer.

Named Executive Officer	Actual 2013 Short-Term Plan Award ($)
Mr. McAdam	4,125,000
Mr. Mead	1,089,000
Mr. Shammo	937,750
Mr. Stratton	877,250
Mr. Milch	810,700

[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures may be found in Appendix C to this proxy statement.

Long-Term Incentive Compensation

The Verizon Long-Term Incentive Plan, which is referred to as the Long-Term Plan, is intended to reward participants for the creation of long-term shareholder value over a three-year period and further link executives' interests to shareholders' interests. In considering the appropriate duration of the performance cycle under the Long-Term Plan, the Committee believes that it is important to establish a period that is longer than one year in order to meaningfully evaluate the performance of long-term strategies and the effect on value created for shareholders. Based on this consideration, the Committee determined that a three-year performance cycle for the Long-Term Plan awards was appropriate.

Consistent with the three prior award cycles, the 2013 PSUs are payable in cash and the 2013 RSUs are payable in Verizon shares. The Committee believes that paying PSUs in cash and RSUs in shares creates an appropriate balance between the potential shareholder dilution from paying awards in shares and cash flow considerations, and that both types of awards further align executives' interests with those of Verizon's shareholders as the ultimate values of the awards are based on the value of Verizon's common stock. In addition, paying the 2013 RSU awards in shares is consistent with Verizon's policy of requiring a significant level of equity ownership by our named executive officers.

The value of each PSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in PSUs. The dividend equivalents are only paid to the extent that PSUs are vested and earned. The Committee determines an executive's total compensation opportunity by assuming that he or she will earn 100% of the PSUs initially awarded in any performance cycle. However, the number of PSUs that are actually earned and paid is determined based on Verizon's achievement of the pre-established performance goals over the three-year performance cycle. The final value of each PSU is based on the closing price of Verizon's common stock on the last trading day of the year that the performance cycle ends. As a result, awarding PSUs provides a strong incentive to executives to deliver value to Verizon's shareholders.

On the date the long-term incentive is awarded, the Committee also establishes the number of RSUs that may be earned based on the executive's continued employment with the Company through the end of the three-year award cycle as reflected in the award agreement. The value of each RSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in RSUs. The dividend equivalents are only paid to the extent that the RSUs vest. The 2013 RSU awards are payable in shares at the end of the three-year award cycle and provide both a retention incentive and a performance incentive as the value of the award depends on Verizon's stock price. The Committee determines an executive's total compensation opportunity by assuming he or she will earn 100% of the RSUs awarded.

2013 Long-Term Plan Award Opportunities

Consistent with the 2012 awards, for 2013, each of the named executive officers received 60% of their 2013 Long-Term Plan award opportunity in the form of PSUs and 40% of their award opportunity in the form of RSUs. Two-thirds of the PSUs are eligible to vest based on Verizon's relative TSR performance and one-third is eligible to vest based on Verizon's cumulative free cash flow. This allocation reflects the Committee's focus on encouraging both outstanding relative TSR performance and free cash flow creation and the retention of the Company's highly-qualified executive team.

The Committee generally establishes an executive's Long-Term Plan target award opportunity as a percentage of the executive's base salary. The Long-Term Plan target award opportunity for each of the named executive officers in 2013 was: 625% of base salary for Mr. McAdam; 525% of base salary for Messrs. Mead, Shammo and Stratton and 500% of base salary for Mr. Milch. The target award opportunities for the named executive officers increased over their 2012 target award opportunities solely as a result of their base salary increases identified above (*i.e.*, their target award opportunities, expressed as a percentage of their base salaries, did not change). The Committee determined that these award levels were appropriate so that each executive's target annual Long-Term Plan award opportunity would constitute a significant portion of the executive's benchmarked total compensation opportunity consistent with the objectives of the Company's pay-for-performance program. The target award opportunity for an executive is allocated between PSUs and RSUs as noted above, and the target award opportunity allocated to each type of award is converted into a target number of shares using the closing price of Verizon's common stock on the grant date.

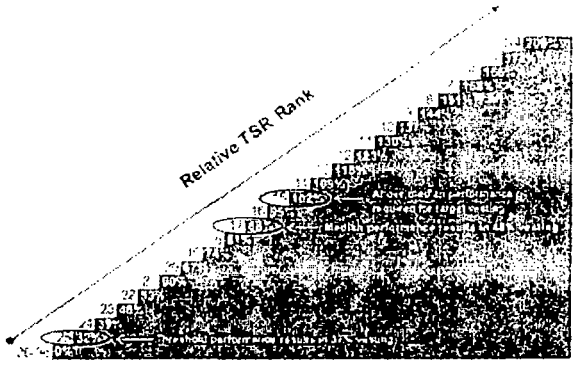
The following table shows the target value of the awards granted to the named executive officers during 2013 in connection with the annual long-term incentive compensation opportunity. Additional detail regarding the 2013 PSU awards, including the performance requirements, follows the table.

Named Executive Officer	2013 Long-Term Plan Target Award Opportunity ($)
Mr. McAdam	9,375,000
Mr. Mead	4,725,000
Mr. Shammo	4,068,750
Mr. Stratton	3,806,250
Mr. Milch	3,350,000

Terms of 2013 PSU Awards

Two-thirds of the number of PSUs awarded are eligible to vest based on Verizon's TSR as compared to the TSRs of the companies in the Related Dow Peers, as constituted on the grant date of the award, over the 2013-2015 performance cycle. One-third of the number of PSUs awarded is eligible to vest based on Verizon's cumulative free cash flow over the 2013-2015 performance cycle compared against the performance targets established by the Committee at the beginning of the performance cycle.

TSR Metric. With respect to PSUs that vest based on relative TSR performance (TSR PSUs), the following chart shows the percentage of the TSR PSUs awarded for the 2013-2015 performance cycle that will vest based on Verizon's relative TSR positioning compared with the companies in the Related Dow Peers:



Verizon's TSR during the three-year performance cycle must rank at least 15th, or at the 58th percentile, among the Related Dow Peers in order for 100% of the target number of TSR PSUs to vest. Similarly, the maximum number of TSR PSUs (200% of target) will vest only if Verizon's TSR during the three-year performance cycle ranks among the top four companies in the Related Dow Peers, which corresponds to the 91st percentile or higher. If Verizon's TSR during the three-year performance cycle ranks below 25th, or below approximately the 27th percentile of the companies in the Related Dow Peers, none of the TSR PSUs will vest.

Free Cash Flow Metric. The percentage of PSUs awarded for the 2013-2015 performance cycle that will vest based on Verizon's cumulative free cash flow (FCF) (referred to as FCF PSUs) will be determined based on the extent to which Verizon's cumulative FCF over the performance cycle meets or exceeds the cumulative FCF

performance levels that were established by the Committee at the beginning of the performance cycle. FCF is determined by subtracting capital expenditures from cash flow from operations, and is subject to adjustment to eliminate the financial impact of significant transactions, changes in legal or regulatory policy and other extraordinary items.

At the end of the performance cycle, the number of FCF PSUs that will vest, if any, will be determined by comparing the actual performance of the Company against the performance objectives. The cumulative FCF target for the 2013-2015 performance cycle was set at a level that the Committee believes may be challenging in light of the economic environment, but attainable. The number of FCF PSUs that will vest will range from 0% if performance is below the threshold cumulative FCF level and up to 200% for performance at or above the maximum cumulative FCF level. The number of FCF PSUs that will vest in between threshold and maximum performance levels will be determined by linear interpolation between vesting percentage levels.

2011 PSU Awards Earned in 2013

With respect to the PSUs awarded in 2011, the Committee determined the number of PSUs that vested for a participant based on Verizon's TSR for the 2011-2013 three-year performance cycle relative to the TSRs of the Related Dow Peers as constituted on the date the award was granted. The following table shows the percentage of PSUs awarded for the 2011-2013 performance cycle that could vest based on a range of Verizon's relative TSR positioning compared with the companies in the applicable Related Dow Peers.

Verizon's Relative TSR Ranking Among the Companies in the Related Dow Peers	Corresponding Relative TSR Percentile Ranking Among the Companies in the Related Dow Peers	Percentage of Awarded PSUs that will Vest
1 – 4	91st to 100th	200%
5 – 8	79th to 88th	175%
9 – 12	67th to 76th	150%
13 – 16	55th to 64th	100%
17 – 21	39th to 52nd	75%
22 – 25	27th to 36th	50%
26 – 34	0 to 24th	0%

Over the three-year performance cycle ending on December 31, 2013, Verizon's TSR ranked 13th, or at the 64th percentile, when compared to the Related Dow Peers. As a result of this achievement, in early 2014 the Committee approved a payment to all participants, including the named executive officers, of 100% of the number of PSUs awarded for the 2011-2013 performance cycle, plus dividend equivalents credited on those PSUs that vested pursuant to the terms of the award. As a result, even though the Company achieved performance at the 64th percentile of the Related Dow Peers, the named executive officers only received the target number of PSUs granted, plus dividend equivalents.

Other Elements of the Total Compensation Program

The Company also provides the named executive officers with certain limited personal benefits as generally described below. None of the named executive officers is eligible for any tax gross-up payment in connection with any of these benefits, including with respect to the excise tax liability under Internal Revenue Code Section 4999 related to any Section 280G excess parachute payments.

Transportation

The Company provides certain aircraft and ground transportation benefits to enhance the safety and security of certain named executive officers. These transportation benefits, even when classified as a perquisite under applicable SEC rules, also serve business purposes as they frequently enhance the ability of the executive to attend to business matters while in transit. Additional information on Company-provided transportation is included in footnote 4 to the Summary Compensation Table on page 45.

Executive Life Insurance

The Company offers the named executive officers and other executives the opportunity to participate in an executive life insurance program in lieu of participation in the Company's basic and supplemental life insurance programs. The executives who elect to participate in the executive life insurance program own the life insurance policy, and the Company provides an annual cash payment to the executives to defray a portion of the annual premiums. Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45.

Financial Planning

The Company provides a voluntary Company-sponsored financial planning benefit program for the named executive officers and other executives. Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45.

Retirement Benefits

In 2006, the Committee determined that guaranteed pay in the form of pension and supplemental executive retirement benefits was not consistent with the Company's pay-for-performance culture. Accordingly, effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and supplemental defined benefit retirement plans. These legacy retirement benefits that were previously provided to Verizon's named executive officers are described in more detail under the section titled "Pension Plans" beginning on page 48.

During 2013, all of Verizon's named executive officers were eligible to participate in the Company's tax-qualified and nonqualified retirement savings plans. These plans are described in the section titled "Defined Contribution Savings Plans" beginning on page 50.

Severance and Change in Control Benefits

The Committee believes that maintaining a competitive level of separation benefits is appropriate as part of an overall program designed to attract, retain and motivate the highest quality management team. However, the Committee does not believe that named executive officers should be entitled to receive cash severance benefits merely because a change in control transaction occurs. Therefore, the payment of cash severance benefits is triggered only by an actual or constructive termination of employment.

The Company was not a party to an employment agreement with any of the named executive officers in 2013. All senior managers of the Company (including each of the named executive officers other than Mr. McAdam) are eligible to participate in the Verizon Senior Manager Severance Plan, which provides certain separation benefits to participants whose employment is involuntarily terminated without cause from the Company. Mr. McAdam is not eligible to participate in the Senior Manager Severance Plan and is not eligible for cash severance benefits upon a termination.

The Senior Manager Severance Plan is generally consistent with the terms and conditions of Verizon's broad-based severance plan that is provided to substantially all of Verizon's management employees other than senior managers. Under the Senior Manager Severance Plan, if a participant has been involuntarily terminated without cause or, in the case of a named executive officer, if the independent members of the Board determine that there has been a qualifying separation, the participant is eligible to receive a lump-sum cash separation payment equal to a multiple of his or her base salary and target short-term incentive opportunity, along with continuing medical coverage for the applicable severance period. To the extent that a senior manager is eligible for severance benefits under any other arrangement, that person will not be eligible for any duplicative benefits under the severance plan. The plan does not provide for any severance benefits based upon a change in control of the Company.

Under the plan, the named executive officers (other than Mr. McAdam) are eligible to receive a cash separation payment based on a formula equal to two times the sum of their base salary and target short-term incentive opportunity. Other senior manager participants are eligible to receive a cash separation payment based on a formula equal to between 0.75 and two times their base salary and target short-term incentive opportunity depending on their position at the time of their separation from employment. In order to be eligible for any severance benefits, participants must execute a release satisfactory to Verizon and agree not to compete or interfere with any Verizon business for a period of one year after their separation from employment.

Consistent with the Committee's belief that named executive officers should not be entitled to receive cash severance benefits merely because a change in control transaction occurs, the Long-Term Plan does not allow "single trigger" accelerated vesting and payment of outstanding awards in connection with a change in control of Verizon. Under the Long-Term Plan, if, in the twelve months following a change in control the participant's employment is terminated without cause, all then-unvested PSUs will fully vest at the target level performance, all then-unvested RSUs will fully vest and PSUs and RSUs (including accrued dividend equivalents) will become payable on the regularly scheduled payment date after the end of the applicable award cycle.

Selected Compensation Policies

Stock Ownership Guidelines

To further align the interests of Verizon's management with those of its shareholders, the Committee has approved guidelines that require each named executive officer and other executives to maintain certain stock ownership levels.

- The guidelines require the CEO to maintain share ownership equal to at least seven times his base salary and require the other named executive officers to maintain share ownership equal to at least four times their base salaries.
- Executives are also prohibited from short-selling or engaging in any financial activity where they would benefit from a decline in Verizon's stock price.

In determining whether an executive meets the required ownership level, the calculation includes any shares held by the executive directly or through a broker, shares held through the Verizon tax-qualified savings plan or the Verizon nonqualified savings plan and other deferred compensation plans and arrangements that are valued by reference to Verizon's stock. The calculation does not include any unvested PSUs or RSUs. Each of the named executive officers is in compliance with the stock ownership guidelines. None of the named executive officers has engaged in any pledging transaction with respect to shares of Verizon's stock.

Recovery of Incentive Payments

The Committee believes that it is appropriate that the Company's compensation plans and agreements provide for the termination or repayment of certain incentive awards and payments if an executive engages in certain fraudulent or other inappropriate conduct. Accordingly, the Committee has adopted a policy that enables the Company to claw back and cancel certain incentive payments received by an executive who has engaged in financial misconduct. The Committee reviews this policy from time to time and will refine the current policy to take into account changes in applicable law, including, for example, any changes that may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Shareholder Approval of Certain Severance Arrangements

The Committee has a policy of seeking shareholder approval or ratification of any new employment agreement or severance agreement with an executive officer that provides for a total cash value severance payment exceeding 2.99 times the sum of the executive's base salary plus Short-Term Plan incentive target opportunity. The policy defines severance pay broadly to include payments for any consulting services, payments to secure a non-compete agreement, payments to settle any litigation or claim, payments to offset tax liabilities, payments or benefits that are not generally available to similarly-situated management employees and payments in excess of, or outside the terms of a Company plan or policy.

Tax and Accounting Considerations

Federal income tax law generally prohibits publicly-held companies from deducting compensation paid to a named executive officer (other than a chief financial officer) that exceeds $1 million during the tax year unless it is based upon attaining pre-established performance measures that are set by the Committee pursuant to a plan approved by the Company's shareholders. The Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of the Company and its shareholders including determining when to request shareholder approval of the Verizon incentive plans and when to award compensation that may not qualify for a tax deduction. The Committee considered the desirability of tax deductibility for performance-based executive compensation in determining to submit the Long-Term Plan to the shareholders for approval in 2013. Compensation paid to the named executive officers under the Short-Term Plan, as well as the PSUs awarded under the Long-Term Plan, are generally intended to meet the performance-based exception for deductibility under the tax laws.

The Committee also considers the effect of certain accounting rules that apply to the various aspects of the compensation program available to the named executive officers. The Committee reviews potential accounting effects in determining whether its compensation actions are in the best interests of the Company and its shareholders. The Committee has been advised by management that the impact of the variable accounting treatment required for long-term incentive awards that are payable in cash (as opposed to fixed accounting treatment for awards that are payable in shares) will depend on future stock performance.

Committee Actions Taken After Fiscal Year 2013

On February 6, 2014, the Committee recommended, and the Board of Directors approved, compensation adjustments for Mr. McAdam, and the Committee approved compensation adjustments for Messrs. Mead, Shammo, Stratton and Milch. In making these decisions, the Committee, and in the case of Mr. McAdam, the Board, noted that the changes reflect Verizon's commitment to emphasizing performance-based incentive pay and compensating its executive officers at levels commensurate with Verizon's position in the market. For 2014, Mr. McAdam's target annual long-term incentive opportunity, expressed as a percentage of base salary, was increased from 625% to 750%, and the target annual short-term incentive opportunity for each of the named executive officers other than Mr. McAdam, expressed as a percentage of base salary, was increased from 110% to 150%. The base salaries of each of the named executive officers were increased as follows: for Mr. McAdam, 6.7%, for Mr. Mead, 5.6% for Mr. Shammo, 6.5%, for Mr. Stratton, 10.3%, and for Mr. Milch, 8.2%. The base salary adjustments are effective March 2, 2014. No change was made to Mr. McAdam's target annual short-term incentive opportunity, and no change was made to the target annual long-term incentive opportunities for any of the named executive officers other than Mr. McAdam.

Compensation Tables

Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards [1] ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation [2] ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($) (h)	All Other Compensation [4] ($) (i)	Total ($) (j)
Lowell C. McAdam, Chairman and CEO	2013	1,483,769	0	9,375,077	0	4,125,000	64,886	780,874	15,828,606
	2012	1,400,000	0	8,750,055	0	3,150,000	213,468	535,577	14,049,100
	2011	1,400,000	0	18,750,099 [5]	0	2,362,500	127,161	480,739	23,120,499 [5]
Daniel S. Mead, Executive Vice President and President and CEO – Verizon Wireless	2013	880,769	0	4,725,020	0	1,089,000	199,644	286,604	7,181,037
	2012	794,231	0	4,200,026	0	792,000	388,950	225,253	6,399,606
	2011	725,000	0	3,806,258	0	734,063	175,217	220,103	5,660,641
Francis J. Shammo, Executive Vice President	2013	760,577	0	4,068,783	0	937,750	10,475	163,476	5,941,061
	2012	698,077	0	3,675,003	0	693,000	9,094	139,841	5,214,925
and CFO	2011	675,000	0	3,543,775	0	683,438	4,496	144,351	5,051,063
John G. Stratton, Executive Vice President and President – Verizon Enterprise Solutions	2013	715,385	0	3,806,297	0	677,250	37,128	139,433	5,375,493
	2012	672,558	0	3,543,796	0	668,250	31,776	143,629	5,061,009
Randal S. Milch, Executive Vice President – Public Policy and General Counsel	2013	666,154	0	3,350,036	0	810,700	77,527	129,710	5,036,097
	2012	648,077	0	3,250,020	0	643,500	58,366	125,949	4,725,912
	2011	621,154	0	3,125,042	0	632,813	61,182	126,026	4,566,217

[1] The amounts in this column reflect the grant date fair value of the PSUs and RSUs computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date. The grant date fair value of PSUs granted to the named executive officers in the designated year as part of Verizon's annual long-term incentive award program and, in the case of Mr. McAdam, the special PSU award granted in 2011 in connection with his appointment to CEO, has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believed was most likely to be achieved under the grants on the grant date. The following table reflects the grant date fair value of these PSUs, as well as the maximum grant date fair value of these awards based on the closing price of Verizon's common stock on the grant date if, due to the Company's performance during the applicable performance cycle, the PSUs vested at their maximum level.

	Grant Date Fair Value of PSUs				Maximum Value of PSUs			
Name	2011 ($)	2011 Special Award ($)	2012 ($)	2013 ($)	2011 ($)	2011 Special Award ($)	2012 ($)	2013 ($)
Mr. McAdam	5,250,038	7,500,021	5,250,038	5,625,037	10,500,076	14,000,042	10,500,076	11,250,074
Mr. Mead	2,283,755	NA	2,520,008	2,835,012	4,567,510	NA	5,040,016	5,670,024
Mr. Shammo	2,126,265	NA	2,205,002	2,441,260	4,252,530	NA	4,410,004	4,882,520
Mr. Stratton	NA	NA	2,126,270	2,283,759	NA	NA	4,252,540	4,567,518
Mr. Milch	1,875,025	NA	1,950,012	2,010,014	3,750,050	NA	3,900,024	4,020,028

[2] The amounts in this column for 2013 reflect the 2013 Short-Term Plan award paid to the named executive officers in February 2014 as described on pages 34-37.

[3] The amounts in this column for 2013 reflect the above-market earnings on amounts held in nonqualified deferred compensation plans. Messrs. Shammo and Stratton are not eligible for pension benefits. For Messrs. McAdam, Mead and Milch, for 2013 there was a reduction in pension value of $233,803, $48,231 and $13,162, respectively, based on the applicable calculation formula. In accordance with SEC rules, because the aggregate change in the actuarial present value of the accumulated benefit under the defined benefit plans was a negative number for 2013, the amounts shown in this column for 2013 for Messrs. McAdam, Mead and Milch reflect above-market earnings only. Verizon's defined benefit plans were frozen as of June 30, 2006, and Verizon stopped all future benefit accruals under these plans as of that date. All accruals under the Verizon Wireless pension plan were frozen as of December 31, 2006.

4 The following table provides the detail for 2013 compensation reported in the "All Other Compensation" column

Name	Personal Use of Company Aircraft [a] ($)	Personal Use of Company Vehicle [b] ($)	Company Contributions to the Qualified Savings Plan ($)	Company Contributions to the Nonqualified Deferral Plan ($)	Company Contributions to the Life Insurance Benefit [c] ($)	Other [d] ($)	All Other Compensation Total ($)
Mr McAdam	120 304	4,293	19 050	315 233	168,253	153,741	780 874
Mr Mead	0	0	19 050	104 241	144 444	18 899	286 634
Mr Shammo	14 462	0	14 712	92 637	31,665	10 000	163 476
Mr Stratton	0	0	19,050	83 184	27 199	10,000	139 433
Mr Milch	0	0	19 050	78,742	21 918	10 000	129,710

[a] The aggregate incremental cost of the personal use of a Company aircraft is determined by multiplying the total 2013 personal flight hours by the incremental aircraft cost per hour The incremental aircraft cost per hour is derived by adding the annual aircraft maintenance costs, fuel costs, aircraft trip expenses and crew trip expenses, and then dividing by the total annual flight hours

[b] The aggregate incremental cost of the personal use of a Company vehicle is determined by (i) calculating the incremental vehicle cost per mile by dividing the annual lease and fuel costs by the total annual miles, (ii) multiplying the total 2013 personal miles by the incremental vehicle cost per mile, and (iii) adding the incremental driver cost (the 2013 driver hours for personal use multiplied by the driver's hourly rate)

[c] Executive life insurance is available to executives on a voluntary basis Executives who choose to participate in this program are excluded from the basic and supplemental life insurance programs that Verizon provides to management employees The executive owns the insurance policy and is responsible for paying the premiums, However, Verizon pays each executive an amount, which is shown in this column, that is equal to a portion of the premium Executives who choose not to participate in the executive life insurance plan do not receive that payment For all named executive officers the executive life insurance policy provides a death benefit equal to two times the sum of the executive's base salary plus his short-term incentive opportunity at 67% of target level if the executive dies before a designated date For Messrs McAdam, Mead, Shammo and Stratton, this date is the latest of the participant's retirement date, the date on which the participant reaches age 60 or the fifth anniversary of plan participation For Mr Milch, this date is the earlier of five years post-retirement or the date on which he reaches age 65

[d] This column represents the total amount of other perquisites and personal benefits provided These other benefits consist of (i) for Mr McAdam, non-recurring expenses for home security, (ii) for Mr Mead, financial planning services and personal travel, and (iii) for Messrs Shammo, Stratton and Milch, financial planning services The Company provides each of the named executive officers who elect to participate in the financial planning program with a financial planning benefit equal to the Company's payment for the services, up to $10,000 The aggregate incremental cost of personal travel for Mr. Mead is equal to the direct expense related to his spouse's attendance at a business event at the request of the Company These expenses include lodging, ground transportation, meals and other travel-related items.

[5] As described in footnote 1, this amount includes the grant date fair value of the special equity award granted to Mr McAdam in 2011 in connection with his appointment to CEO, with 70% of the award opportunity in the form of PSUs and 30% in the form of RSUs, which may become payable after the completion of the five-year performance cycle ending July 31, 2016, provided that Mr. McAdam remains continuously employed, subject to the terms of the award agreements. The number of PSUs that will vest at the end of the five-year performance cycle will be determined based on Verizon's average annual ROE during the performance cycle, and to the extent the performance criteria is achieved the final award will include dividend equivalents that accrue on the vested portion of the award No PSUs will vest unless Verizon's average annual ROE meets the minimum threshold of 10% If Verizon's average annual ROE meets the target percentage of 15%, 100% of the nominal number of the PSUs granted will vest A maximum of two times the nominal number of PSUs granted will vest if Verizon's average annual ROE is at least 20% If Verizon's average annual ROE during the five-year performance cycle is greater than 10% but less than 15%, or is greater than 15% but less than 20%, the Committee will determine the extent to which the PSUs will vest, provided that the vested percentage must be between 50% and 100% and between 100% and 200%, respectively. The award will be settled in shares of Verizon common stock, and Mr. McAdam will be required to hold any shares he receives for at least two years following the vesting date unless he dies or becomes disabled.

Plan-Based Awards

The following table provides information about the 2013 awards granted under the Short-Term Plan and the Long-Term Plan to each named executive officer

Grants of Plan-Based Awards

Name (a)	Type of Award [1]	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards [2] Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Estimated Future Payouts Under Equity Incentive Plan Awards [3] Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards: Number of Shares of Stock or Units [4] (#) (i)	All Other Option Awards: Number of Securities Underlying Options (#) (j)	Exercise or Base Price of Option Awards ($/Sh) (k)	Grant Date Fair Value of Stock and Option Awards [5] ($) (l)
Mr McAdam	STIP	—	1,875 000	3 750 000	5 625,000							
	PSU	3/8/2013				37 532	117,286	234,572				5 625 037
	RSU	3/8/2013							78 191			3 750 040
Mr Mead	STIP	—	495 000	990,000	1 485 000							
	PSU	3/8/2013				18 916	59 112	118 224				2 835 012
	RSU	3/8/2013							39 408			1 890 008
Mr Shammo	STIP	—	426 250	852 500	1 278,750							
	PSU	3/8/2013				16 289	50 902	101 804				2 441 260
	RSU	3/8/2013							33 935			1 627 523
Mr Stratton	STIP	—	398 750	797 500	1 196,250							
	PSU	3/8/2013				15 238	47,618	95,236				2 283,759
	RSU	3/8/2013							31 746			1 522,538
Mr Milch	STIP	—	368 500	737 000	1 105 500							
	PSU	3/8/2013				13 411	41 910	83 820				2 010 004
	RSU	3/8/2013							27 940			1 340 002

[1] These awards are described in the Compensation Discussion and Analysis on pages 34-39

[2] The actual amount awarded in 2013 was paid in February 2014 and is shown in column (g) of the Summary Compensation Table on page 44

[3] These columns reflect the potential payout range of PSU awards granted in 2013 to our named executive officers in accordance with the Company's annual long-term incentive award program, as described on pages 38-40 At the conclusion of the three-year performance cycle, payouts can range from 0% to 200% of the target number of units awarded based on Verizon's relative TSR position as compared with the Related Dow Peers and Verizon's cumulative free cash flow over the three-year performance cycle as described in more detail on pages 38-40 PSUs and the applicable dividend equivalents are paid only and to the extent that the applicable performance criteria for the award are achieved at the end of the award cycle When dividends are distributed to shareholders, dividend equivalents are credited on the PSU awards in an amount equal to the dollar amount of dividends on the total number of PSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date.

[4] This column reflects the RSU awards granted in 2013 to the named executive officers in accordance with the Company's annual long-term incentive award program When dividends are distributed to shareholders, dividend equivalents are credited on the RSU awards in an amount equal to the dollar amount of dividends on the total number of RSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date.

[5] This column reflects the grant date fair value of each equity award computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date. For PSUs, the grant date fair value has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believes is the most likely to be achieved under the grants

Outstanding Equity Awards at Fiscal Year-End

Name (a)	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Option Awards: Equity Incentive Plan Awards Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Awards: Option Exercise Price ($) (e)	Option Awards: Option Expiration Date (f)	Stock Awards: Number of Shares or Units of Stock That Have Not Vested [1] (#) (g)	Stock Awards: Market Value of Shares or Units of Stock That Have Not Vested [2] ($) (h)	Stock Awards: Equity Incentive Plan Awards Number of Unearned Shares Units or Other Rights That Have Not Vested [3] (#) (i)	Stock Awards: Equity Incentive Plan Awards Market or Payout Value of Unearned Shares Units or Other Rights That Have Not Vested [4] ($) (j)	Grant Date
Mr McAdam	0	0	0	0	0	82 739	4 557 394	432 779	23 266 760	8/3/2011
						97 111	4 831 519	174 414	8 570 704	3/8/2012
						80 110	3 943 175	94 313	4 634 541	3/8/2013
Mr Mead	0	0	0	0	0	48 922	2 304 764	82 779	4 177 992	3/9/2010
						40 127	1 996 433	47 534	2 335 821	3/8/2013
Mr Shammo	0	0	0	0	0	41 038	2 016 607	73 254	3 599 702	3/9/2010
						34 585	1 719 163	40 932	2 011 498	3/8/2013
Mr Stratton	0	0	0	0	0	39 572	1 944 617	70 658	3 473 151	3/9/2010
						32 728	1 608 254	38 761	1 904 568	3/8/2013
Mr Milch	0	0	0	0	0	36 543	1 794 994	64 792	3 183 267	3/9/2010
						28 894	1 419 429	33 793	1 660 617	3/8/2013

[1] The annual 2012 and 2013 RSU awards vest on December 31, 2014 and December 31, 2015, respectively Mr McAdam's 2011 special RSU award vests on July 31, 2016 RSUs accrue quarterly dividends that are reinvested into the participant's account as additional RSUs and will be included in the final RSU payment if the awards vest This column includes dividend equivalent units that have accrued through December 31, 2013

[2] This column represents the value of the RSU awards listed in column (g) based on a share price of $49 14 the closing price of Verizon's common stock on December 31 2013

[3] The annual 2012 and 2013 PSU awards vest on December 31 2014 and December 31, 2015, respectively Mr McAdam's 2011 special PSU award vests on July 31 2016 PSUs accrue quarterly dividends that are reinvested into the participant's account as additional PSUs PSUs and the applicable dividend equivalents are paid if and to the extent that the applicable PSU award vests As required by SEC rules, the number of units in this column represents the 2012 PSU awards at a 119% vesting percentage, the 2013 PSU awards at a 78% vesting percentage and Mr McAdam's 2011 special PSU Award at a 200% vesting percentage, in each case including accrued dividend equivalents through December 31, 2013 that will be paid to the executives if the awards vest at the indicated levels

[4] This column represents the value of the PSU awards listed in column (i) based on a share price of $49 14, the closing price of Verizon's common stock on December 31 2013

Value Realized from Stock Options and Certain Stock-Based Awards

The following table reports the value realized from the vesting of the following stock-based awards for the named executive officers

- 2011 PSUs that vested on December 31 2013 and
- 2011 RSUs that vested on December 31, 2013

The following table also reports the number of partnership value appreciation rights ("VARs") Mr McAdam exercised in 2013 which were granted to Mr McAdam on March 31, 2004, by Verizon Wireless his employer on that date Mr McAdam exercised his VARs in December 2013 in connection with the impending expiration date of the 10 year term of the award and the expiration of the VAR program on March 31, 2014

In 2014, based on the Company s relative TSR as compared with the Related Dow Peers the Committee approved a vested percentage of 100% of the target number of PSU awards granted for the 2011-2013 performance cycle for all participants including the named executive officers The values of the 2011 PSU awards upon vesting for Mr McAdam Mr Mead, Mr Shammo, Mr Stratton and Mr Milch were $8,165 769, $3,552 093 $3,307 139, $2,799,689 and $2 916,366 respectively and the value of the 2011 RSUs upon vesting for Mr McAdam Mr Mead Mr Shammo, Mr Stratton and Mr Milch were $5 443,827 $2 368 062 $2,204 759, $1,866 497 and $1 944 244 respectively

Option Exercises and Stock Vested

Name (a)	Option Awards: Number of Shares Acquired on Exercise [1] (#) (b)	Option Awards: Value Realized on Exercise [1] ($) (c)	Stock Awards: Number of Shares Acquired on Vesting [2] (#) (d)	Stock Awards: Value Realized on Vesting [2] [3] ($) (e)
Mr McAdam	420,863	20,820,093	276,956	13,609,596
Mr Mead	0	0	120,475	5,920,155
Mr Shammo	0	0	112,167	5,511,898
Mr Stratton	0	0	94,957	4 666 186
Mr Milch	0	0	98,914	4 860 610

[1] The option awards listed for Mr McAdam represent VARs granted on March 31, 2004, by Verizon Wireless, his employer on that date The value realized on exercise represents the difference between $63 36, the value of the corresponding Verizon Wireless partnership rights on the date the rights were exercised, and $13 89, the exercise price for such rights The value of the Verizon Wireless partnership rights was determined by an independent third party valuation in November 2013, in accordance with the terms of the VARs and consistent with past practice

[2] The amounts include dividend equivalents that were credited on the PSU and RSU awards that vested on December 31 2013 in accordance with the terms of the awards The amounts in this column represent the number of shares acquired on vesting multiplied by $49 14, the closing price of Verizon s common stock on December 31, 2013

[3] The amounts in this column include $2,960,078 for Mr Mead and $466,619 for Mr Stratton that were deferred under the Verizon Executive Deferral Plan in 2014 when the amounts would have otherwise been pain

Pension Plans

Effective June 30, 2006 Verizon froze all future pension accruals under its management tax-qualified and nonqualified defined benefit pension plans All accruals under the Verizon Wireless defined benefit retirement plan (tax-qualified and nonqualified) were frozen as of December 31 2006 Each of the named executive officers other than Messrs Shammo and Stratton is eligible for a frozen pension benefit

Verizon Management Pension Plan and Verizon Excess Pension Plan The Verizon Management Pension Plan is a tax-qualified defined benefit pension plan and the Verizon Excess Pension Plan is a nonqualified defined benefit pension plan. Messrs Mead and Milch are eligible for benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan Mr McAdam is not eligible for benefits under either of these plans because he was employed by Verizon Wireless prior to January 1, 2007 Under the Verizon Management Pension Plan and the Verizon Excess Pension Plan, the normal retirement age is age 65 with at least 5 years of service and the early retirement age for unreduced benefits is age 55 with 15 or more years of service, and total age plus years of service equal to at least 75 Messrs Mead and Milch are eligible for early retirement benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan For Messrs Mead and Milch, their benefit under the Verizon Excess Pension Plan is based on the cash balance formula noted below, and each of them is vested in the benefit

Until June 30 2006 Mr Milch earned pension benefits under a cash balance formula that provided for retirement pay credits equal to between four and seven percent (depending on age and service) of annual eligible pay for each year of service Under the cash balance formula, a participant's account balance is also credited with monthly interest based upon the prevailing market yields on certain U S Treasury obligations Eligible pay under the Verizon Management Pension Plan consisted of the employee s base salary and the short-term incentive award up to the IRS qualified plan compensation limit Pension benefits for all eligible pay in excess of the IRS limit were provided under the Verizon Excess Pension Plan based on the cash balance formula At the time that the tax-qualified and nonqualified pension plans were frozen to future pension accruals on June 30, 2006 plan participants were provided with a one-time additional 18 months of benefits as a transition matter

As a former employee of GTE Wireless Incorporated, Mr Mead earned a pension benefit under the Verizon Management Pension Plan based on the better of two highest average pay formulas The first formula was based

on 1.35% of his average annual eligible pay for the five highest consecutive eligible years of service. The second formula was based on eligible pay for the five highest consecutive eligible years of service and was integrated with social security, with a 1.15% accrual for eligible pay under the social security integration level and a 1.45% accrual above the social security integration level. Both of these formulas were discontinued on May 31, 2004 for former GTE Wireless Incorporated employees employed by Verizon Wireless, and Mr. Mead ceased to accrue a pension under those formulas on May 31, 2004. Effective October 23, 2005, Mr. Mead transferred from Verizon Wireless to Verizon, and he started to again earn a pension under the better of (i) the 1.35% highest average pay formula or (ii) the cash balance formula. Mr. Mead's service with Verizon Wireless from June 1, 2004 through October 22, 2005 was excluded from any pension calculation. As noted above, accruals under the 1.35% highest average pay formula and cash balance formula were frozen effective June 30, 2006.

At the time of Mr. Mead's transfer from Verizon Wireless to Verizon effective October 23, 2005, the value of his nonqualified benefit was determined as a lump sum, and a nonqualified cash balance account was created under the Verizon Excess Pension Plan using this value as the opening balance as of November 1, 2005. Mr. Mead earned retirement pay credits equal to 7% (based on age and eligible service) of annual eligible pay in excess of the pay cap for each year of service after October 23, 2005, including monthly interest credits. As noted above, accruals under the nonqualified cash balance formula were frozen effective June 30, 2006.

Verizon Wireless Retirement Plan. In 2001, Verizon Wireless consolidated the pension plans of several predecessor companies under the Verizon Wireless Retirement Plan. Mr. McAdam is entitled to both a tax-qualified and a nonqualified pension benefit under this plan. Mr. McAdam's tax-qualified pension benefit was determined under two formulas: (i) for the period from January 1, 2001 until May 31, 2004, a cash balance formula that provided pay credits equal to two percent of annual eligible pay up to the IRS compensation limit (under the cash balance formula, a participant's account balance is also credited on an ongoing basis with interest credits based upon the 30-year Treasury bond), and (ii) a final average pay formula based on 24 years of service multiplied by 1.45% of Mr. McAdam's average annual eligible pay for the five final consecutive years for each year of service through the end of 2006. The normal retirement age under the Verizon Wireless Retirement Plan is 65. The early retirement age (for unreduced benefits) under the plan is 55. Mr. McAdam is eligible for unreduced early retirement benefits under the plan. Mr. McAdam's nonqualified plan benefit was determined using the 1.45% final average pay formula and was calculated based on 10 years of service and only included his eligible pay in excess of the IRS compensation limit through the end of 2006, at which time no further adjustments to eligible pay were recognized under the plan. For Mr. McAdam, eligible pay consisted of base salary and the short-term incentive award. No participant under the plan was eligible for cash balance credits under the nonqualified portion of the plan.

The following table illustrates the actuarial present value as of December 31, 2013 of pension benefits accumulated by the named executive officers, other than Messrs. Shammo and Stratton who are not eligible for pension benefits.

Pension Benefits

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit[1] ($) (d)	Payments During Last Fiscal Year ($) (e)
Mr. McAdam	Verizon Wireless Retirement Plan - Qualified	30	1,082,237	0
	Verizon Wireless Retirement Plan - Nonqualified	10.2	1,630,091	0
Mr. Mead	Verizon Management Pension Plan	35	1,260,100	0
	Verizon Excess Pension Plan	8.2	3,427,986	0
Mr. Milch	Verizon Management Pension Plan	20	167,319	0
	Verizon Excess Pension Plan	9.2	102,526	0

[1] The values are based on the assumptions for the actuarial determination of pension benefits as required by the relevant accounting standards as described in note 11 to the Company's consolidated financial statements for the year ended December 31, 2013, as included in the Company's 2013 Annual Report to Shareowners. However, in accordance with the requirements for this table, the values are calculated using the executive's retirement at the

earliest age at which he can retire without having the retirement benefit reduced under the plan. For Mr. McAdam, the assumptions are generally the same as described above.

[2] The years of credited service for each of Messrs. McAdam, Mead and Milch with respect to the applicable plan is less than the named executive officer's number of actual years of service with the Company. For Mr. McAdam, the 10 years of credited service represents the period over which he earned a benefit in the nonqualified portion of the Verizon Wireless Pension Plan. For Mr. Mead and Mr. Milch, the 8 and 9 years of credited service represent the periods over which they earned a benefit in the Verizon Excess Pension Plan, respectively.

Defined Contribution Savings Plans

The named executive officers are participants in the Company's tax-qualified defined contribution savings plan, the Verizon Management Savings Plan, which is referred to as the Savings Plan, and its nonqualified defined contribution savings plan, the Verizon Executive Deferral Plan, which is referred to as the Deferral Plan. The named executive officers participate in these plans on the same terms as other participants in these plans.

Under the terms of the Savings Plan, participants are eligible to defer up to 16% of their eligible pay into the Savings Plan up to the IRS qualified plan compensation limit. Verizon provides a matching contribution equal to 100% of the first 6% of eligible pay that any participant contributes to the Savings Plan. Under the Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit, short-term incentive compensation and long-term incentive compensation. Verizon provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the Deferral Plan. Deferrals of long-term incentive compensation, such as PSUs and RSUs, are not eligible for Company matching contributions. Participants in the Savings Plan and the Deferral Plan are eligible for an additional discretionary profit-sharing contribution of up to 3% of eligible pay, in the case of the Savings Plan, and eligible deferrals, in the case of the Deferral Plan. In determining whether to make a profit-sharing contribution, the Committee uses the same criteria it uses to determine the short-term incentive award paid to employees at the corporate level. For 2013, the discretionary contribution was 3.0%.

Messrs. McAdam, Mead, Shammo and Stratton were participants in the Verizon Wireless Executive Deferral Plan while they were employed at Verizon Wireless. Under the Verizon Wireless Executive Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit and short-term incentive compensation. Verizon Wireless provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the plan. Participants are eligible for an additional discretionary profit-sharing contribution to the Verizon Wireless Executive Deferral Plan of up to 3% of eligible pay and eligible deferrals. In determining whether to make a profit-sharing contribution, the Verizon Wireless Human Resources Committee uses the same criteria used to determine the short-term incentive award paid to employees at the corporate level.

Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may elect to invest their deferrals in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to all plan participants under the Savings Plan. Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may generally elect to receive their benefits in a lump sum or installments, commencing on a separation from service or specific date elected by the participant.

Messrs. Mead and Milch also have account balances under the Income Deferral Plan (referred to as the IDP). The IDP is a nonqualified deferred compensation plan that was the predecessor to the Deferral Plan. The IDP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the IDP no longer accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the plan. Participants in the IDP do not receive matching contribution credits or retirement credits under the plan.

Messrs. McAdam, Mead, Shammo and Stratton also have account balances under the Verizon Wireless Executive Savings Plan (referred to as the ESP). The ESP is a nonqualified deferred compensation plan that was the predecessor to the Verizon Wireless Executive Deferral Plan. The ESP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the ESP no longer

accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the ESP. Participants in the ESP do not receive matching contribution credits or retirement credits under the plan.

The following table shows the 2013 account activity for each named executive officer and includes each executive's contributions, Company matching contributions, earnings, withdrawals and distributions and the aggregate balance of his total deferral account as of December 31, 2013.

Nonqualified Deferred Compensation

Name (a)		Executive Contributions in Last FY[1] ($) (b)	Registrant Contributions in Last FY[2] ($) (c)	Aggregate Earnings in Last FY[3] ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE[4] ($) (f)
Mr. McAdam	Verizon Executive Deferral Plan	262,546	315,233	511,477	0	5,416,347
	Verizon Wireless Executive Deferral Plan	0	0	70,004	0	457,760
	Verizon Wireless Executive Savings Plan	0	0	95,122	0	2,176,724
Mr. Mead	Verizon Executive Deferral Plan	4,111,189	104,241	1,666,373	0	16,466,054
	Verizon Income Deferral Plan	0	0	12,648	0	289,479
	Verizon Wireless Executive Deferral Plan	0	0	82,594	0	1,892,019
	Verizon Wireless Executive Savings Plan	0	0	84,436	0	1,506,474
Mr. Shammo	Verizon Executive Deferral Plan	71,915	92,637	501,553	0	3,511,396
	Verizon Wireless Executive Deferral Plan	0	0	6,085	0	139,253
	Verizon Wireless Executive Savings Plan	0	0	151,171	0	1,332,465
Mr. Stratton	Verizon Executive Deferral Plan	395,073	83,164	491,071	0	3,674,118
	Verizon Wireless Executive Deferral Plan	0	0	232,975	0	2,250,558
	Verizon Wireless Executive Savings Plan	0	0	394,201	0	3,601,454
Mr. Milch	Verizon Executive Deferral Plan	833,250	78,742	476,497	0	4,514,169
	Verizon Income Deferral Plan	0	0	416,420	0	5,314,551

[1] Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (c) and (j) for Mr. McAdam: $73,546, for Mr. Mead: $156,442, for Mr. Shammo: $30,335, for Mr. Stratton: $161,135, and for Mr. Milch: $24,669.

[2] The amounts listed in this column are also included in columns (i) and (j) of the Summary Compensation Table.

[3] Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (h) and (j): for Mr. McAdam: $64,886, for Mr. Mead: $199,644, for Mr. Shammo: $10,475, for Mr. Stratton: $37,128, and for Mr. Milch: $73,527.

[4] The aggregate amounts shown in columns (e) and (f) include the following amounts that were reported as compensation to the named executive officer in the Summary Compensation Table in previous proxy statements of the registrant:

- For Mr. McAdam, a total of $2,655,543 was reported (2006 to 2013).
- For Mr. Mead, a total of $1,437,873 was reported (2011 to 2013).
- For Mr. Shammo, a total of $479,446 was reported (2011 to 2013).
- For Mr. Stratton, a total of $468,484 was reported (2013); and
- For Mr. Milch, a total of $329,291 was reported (2012 to 2013).

Potential Payments upon Termination or Change in Control

The following summaries and tables describe and quantify the potential payments and benefits that would be provided to each of our named executive officers if a termination of employment or change in control of Verizon had occurred at the end of 2013 under Verizon's compensation plans and agreements.

Payments Made upon Termination

Regardless of the manner in which a named executive officer's employment terminates, the executive is entitled to receive amounts earned during the term of employment. This includes amounts accrued and vested under our

pension plans and nonqualified deferred compensation plans, which are reported in the "Pension Benefits" and "Nonqualified Deferred Compensation" tables above. Those benefits are not included in the summaries and tables below.

In addition, amounts earned under our 2013 Short-Term Plan awards and amounts earned under our 2011 Long-Term Plan awards are not included in the summaries or tables below. Amounts earned under our 2013 Short-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 34-37 and are reported in the Summary Compensation Table on page 44. Amounts earned under our 2011 Long-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 38-40 and are reported in the Option Exercises and Stock Vested table on page 48. If a named executive officer's employment had terminated on December 31, 2013 for any reason other than for cause, the full amount of the 2013 Short-Term Plan award and the full amount of the 2011 Long-Term Plan awards in each case to the extent earned, would have been payable. These amounts would be determined and payable at the same time as awards are determined and paid to participating employees generally under those plans. In the event of a termination for cause, no amount would have been payable under these awards.

Potential Payments upon Qualifying Separation or Involuntary Termination Without Cause

Mr. McAdam. As Chairman and CEO, Mr. McAdam is not eligible to participate in the Senior Manager Severance Plan described below. Mr. McAdam is also not a party to an employment agreement with Verizon or any other agreement that would provide him with cash severance benefits in the event his employment is involuntarily terminated by Verizon without cause.

Senior Manager Severance Plan. Verizon provides severance benefits to certain employees, including all of the named executive officers other than the Chairman and CEO, under its Senior Manager Severance Plan. Under the plan, a named executive officer is eligible to receive severance benefits if he experiences a "qualifying separation" from Verizon, which is generally defined as an involuntary termination by Verizon without cause, a voluntary termination by the executive solely due to the executive's refusal to accept a qualifying reclassification or relocation (as those terms are defined in the plan) or a determination by the independent members of the Board that the named executive officer has incurred a qualifying separation. A severance benefit, if triggered, is payable to an executive only if the executive executes a release of claims against Verizon in the form satisfactory to Verizon and agrees not to compete or interfere with any Verizon business for a period of one year after termination from employment and always to protect Verizon's trade secrets and proprietary information.

If a named executive officer incurs a qualifying separation under the plan, he is eligible to receive the following benefits: (i) a lump-sum cash separation payment equal to two times the sum of his base salary and target short-term incentive opportunity, and (ii) continued medical, dental and vision coverage for two years.

In addition, if the executive's qualifying separation occurs prior to the last day of the year, the executive will receive a prorated Short-Term Plan award for the year in which the termination occurs, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are payable to participating employees generally under the plan. To the extent that an executive also becomes eligible for severance benefits under any outstanding agreement, plan or any other arrangement, the executive's cash severance payment under the Senior Manager Severance Plan will be reduced on a dollar-for-dollar basis by the amount or single-sum value of the severance benefits payable to the executive under such other agreement, plan or arrangement.

Other Benefits. Upon an involuntary termination of employment without cause, a named executive officer would also be eligible to receive financial planning and outplacement services for one year following termination on the same basis as provided to other senior executives. However, executives will only be entitled to receive financial planning services if they participate in the program in the year in which their employment terminates. Mr. McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013. In addition, under the terms of the executive life insurance plan, each named executive officer who is retirement eligible upon termination and who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs. McAdam, Mead, Shammo and Stratton, the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement, or (ii) in the case of Mr. Milch, the later of the executive's attainment of age 65 or 15 years of plan participation. Retirement eligibility is generally defined as

having attained 75 points (age plus years of service) with at least 15 years of service. As of December 31, 2013, Mr. Mead had attained plan maturity and would not have been entitled to receive any additional payments from Verizon with respect to this benefit if his employment had terminated on the last business day of 2013.

Estimated Payments. The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment been involuntarily terminated without cause or terminated for good reason on the last business day of 2013 and had incurred a qualifying separation under the Senior Manager Severance Plan.

Name	Cash Separation Payment ($)	Continued Health Benefits [1] ($)	Outplacement Services ($)	Financial Planning [2] ($)	Executive Life Insurance Benefit [3] ($)
Mr. McAdam	0	0	0	0	163,157
Mr. Mead	3,780,000	24,700	14,500	10,000	0
Mr. Shammo	3,256,000	37,057	14,500	10,000	182,534
Mr. Stratton	3,045,000	37,057	14,500	10,000	181,859
Mr. Milch	2,814,000	37,057	14,500	10,000	134,853

[1] The amounts reflect Verizon's estimated cost of providing medical, dental and vision coverage for two years.

[2] Mr. McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013.

[3] If Mr. Mead had retired on December 31, 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date.

Potential Payments upon Death, Disability or Retirement

Under the terms of the executive life insurance plan, in the event of disability or a qualifying retirement, a named executive officer who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs. McAdam, Mead, Shammo and Stratton, the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement, or (ii) in the case of Mr. Milch, the later of the executive's attainment of age 65 or 15 years of plan participation. If the named executive officer dies, his beneficiary would be entitled to receive the proceeds of the life insurance policy owned by the executive, payable by the third-party issuer of the policy. As of December 31, 2013, Mr. Mead had attained plan maturity and was no longer eligible to receive any additional payments from Verizon with respect to this benefit if his employment had terminated on the last business day of 2013.

Under the Short-Term Plan, if the named executive officer's employment terminates due to death, disability or a qualifying retirement prior to the last day of the year, the executive would be eligible for a prorated Short-Term Plan award for the year in which the termination date occurred, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are generally payable to participating employees under the plan. As described above, if the executive's employment terminates on the last day of the year for any reason other than for cause, the full amount of the Short-Term Plan award, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year, would have been payable.

In addition, upon death, disability or a qualifying retirement, each named executive officer would also be eligible to receive financial planning services for one year following termination on the same basis as provided to other senior executives, provided that they participated in the program in the year in which their employment terminates. Upon disability, the named executive officers would also be eligible for disability benefits under the tax-qualified and nonqualified disability plans.

Estimated Payments. The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment terminated due to death, disability or qualifying retirement on the last business day of 2013.

Name	Executive Life Insurance Benefit [1] ($)	Disability Benefit [2] ($)	Financial Planning [3] ($)
Mr. McAdam			
Death	8,026,000	0	0
Disability	163,157	1,333,661	0
Retirement	163,157	0	0
Mr. Mead			
Death	1,800,000	0	10,000
Disability	0	1,228,443	10,000
Retirement	0	0	10,000
Mr. Shammo			
Death	2,694,000	0	10,000
Disability	182,534	420,677	10,000
Retirement	182,534	0	10,000
Mr. Stratton			
Death	2,520,000	0	10,000
Disability	181,859	423,793	10,000
Retirement [4]	0	0	0
Mr. Milch			
Death	2,328,000	0	10,000
Disability	134,853	1,768,505	10,000
Retirement	134,853	0	10,000

[1] In the event of death, the amount represents the proceeds from the life insurance policy owned by the named executive officer, payable from the third-party issuer of the policy. In the event of disability or retirement, the amount, if any, represents the total amount of annual payments to the named executive officer to pay a portion of the annual premium of the life insurance policy owned by him, provided that the named executive officer continues to pay the annual premiums pursuant to the terms of the executive life insurance program. If Mr. Mead had retired on December 31, 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date.

[2] Assumes that each named executive officer would be immediately eligible for long-term disability benefits from Verizon's qualified and nonqualified disability benefit plans. Messrs. Shammo and Stratton do not participate in the nonqualified portion of the disability benefit. The assumptions used to calculate the value of the disability benefits include a discount rate of 5.0% and mortality and recovery based on the 1987 National Association of Insurance Commissioners Group Disability Table. These rates represent the probability of death or recovery between the date of disability and the payment end date. The qualified portion of the disability benefit for Messrs. McAdam, Mead, Shammo, Stratton and Milch is estimated at $445,974, $410,789, $420,677, $423,793 and $591,385, respectively, and the nonqualified portion of the disability benefit for Messrs. McAdam, Mead and Milch is estimated at $887,687, $817,654, and $1,177,120, respectively. In order to receive the nonqualified portion of the disability benefit, the executive must pay the premium associated with the qualified portion of the benefit.

[3] Mr. McAdam did not participate in the financial planning program in 2013 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2013.

[4] Mr. Stratton would not have been entitled to receive executive life insurance benefits or financial planning benefits because he had not fulfilled the eligibility requirements for retirement under the terms of those programs on the last business day of 2013.

Potential Payments upon Change in Control

Verizon does not maintain any plans or arrangements that provide for any named executive officer to receive cash severance or any other cash payments in connection with a change in control of Verizon. If the named executive officer's employment terminates in connection with or following a change in control, he would be eligible for the same benefits, if any, that would become payable to the executive upon his termination under the circumstances as described above. Under the Short-Term Plan, if a change in control occurs, all outstanding awards will vest and become payable on the regularly scheduled payment date.

Equity Awards

As is the case for all participants under the terms of the Long-Term Plan and the applicable award agreements, upon an involuntary termination of employment without cause, death, disability or qualifying retirement, each named executive officer's then unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and each named executive officer's then unvested PSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle, but only if and to the extent that the applicable performance criteria for the award are achieved at the end of the applicable award cycle. However, Mr. McAdam's special PSU and RSU awards granted in 2011 will be forfeited if Mr. McAdam retires prior to July 31, 2016. Under the Long-Term Plan, a qualifying retirement generally means to retire after having attained at least 15 years of vesting service (as defined under the applicable Verizon tax-qualified savings plan) and a combination of age and years of vesting service that equals or exceeds 75 points. As of December 31, 2013, Messrs. McAdam, Mead, Shammo and Milch were retirement-eligible under the Long-Term Plan.

In addition, under the terms of the Long-Term Plan and the applicable award agreements, if, in the 12 months following a change in control of Verizon, a participant's employment is involuntarily terminated without cause, all then-unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and all then-unvested PSUs will vest at target level performance and be paid on the regularly scheduled payment date after the end of the applicable award cycle.

Under the Long-Term Plan, a change in control of Verizon is generally defined as the occurrence of any of the following:

- Any person becomes a beneficial owner of shares representing twenty percent or more of Verizon's outstanding voting stock;
- Verizon consummates a merger, consolidation, reorganization or any other business combination; or
- The Board adopts resolutions authorizing the liquidation or dissolution, or sale of all or substantially all of the assets, of Verizon.

However, a change in control will not occur if:

- The amount of Verizon voting stock outstanding immediately before the transaction represents at least forty-five percent of the combined voting power of the corporation that survives the transaction;
- Verizon Directors constitute at least one-half of the board of directors of the surviving corporation;
- Verizon's CEO is the CEO of the surviving corporation; and
- The headquarters of the surviving corporation is located in New York, New York.

Estimated Payments. The following table shows the estimated value of the payouts that the named executive officers could have received in respect of their outstanding unvested equity awards if any of the following events occurred on the last business day of 2013: (i) a change in control of Verizon without a termination of employment, (ii) a change in control of Verizon and an involuntary termination of employment without cause, and (iii) a termination of employment as a result of an involuntary termination without cause, qualifying retirement, or death or disability. The amounts represent the estimated value of the RSU and PSU awards granted in 2012 and 2013, and in addition for Mr. McAdam, his special 2011 PSU and RSU awards, that would have been payable pursuant to the terms of the award agreements, calculated using the total number of units (including accrued dividends) on the last business day of 2013 and $49.14, Verizon's closing stock price on that date, and for the PSUs, assuming the award would vest at target performance levels. The actual amount payable under these awards can be determined only at the time the awards would be paid.

Name	Change in Control Without Termination ($)	Change in Control And Termination Without Cause ($)	Termination Without Cause [1] ($)	Retirement [1] ($)	Death or Disability ($)
Mr. McAdam	0	37,997,309	37,997,309	21,906,710	37,997,309
Mr. Mead	0	10,752,913	10,752,913	10,752,913	10,752,913
Mr. Shammo	0	9,339,456	9,339,456	9,339,456	9,339,456
Mr. Stratton	0	8,882,153	8,882,153	0	8,882,153
Mr. Milch	0	7,997,191	7,997,191	7,997,191	7,997,191

[1] Mr. Stratton would not have been entitled to receive any amount in respect of his outstanding unvested equity awards upon retirement because he had not met the eligibility requirements for retirement under the terms of the Long-Term Plan on the last business day of 2013.

Non-Employee Director Compensation

In 2013, each non-employee Director of Verizon received an annual cash retainer of $100,000. Any Director who served on the Board for less than the full year received an amount pro-rated to reflect the portion of the year he or she served. The Corporate Governance and Policy and Finance Committee Chairpersons received an additional annual cash retainer of $15,000, the Audit and Human Resources Committee Chairpersons received an additional annual cash retainer of $25,000, and the Presiding Director received an additional annual cash retainer of $10,000. Each Director also received an annual grant of Verizon share equivalents valued at $150,000 on the grant date. No meeting fees were paid if a *Director attended a Board or Committee meeting on the day before or the day of a regularly scheduled Board meeting.* Each Director who attended such a meeting held on any other date received a meeting fee of $2,000.

In addition, in 2013, the Board established a committee composed of Mr. Pace (Chairperson), Ms. Keeth and Ms. Tesija to assist the Board in responding to a shareholder demand. The Chairperson received a cash retainer of $5,000, and each Committee member received a meeting fee of $2,000 for each of the three meetings held by the Committee during 2013.

A new Director who joins the Board receives a one-time grant of 3,000 Verizon share equivalents valued at the closing price on the date that the Director joins the Board.

All share equivalents are automatically credited to the Director's deferred compensation account under the Verizon Executive Deferral Plan and invested in a hypothetical Verizon stock fund. Amounts in the deferred compensation account are paid in a lump sum in the year following the year that the Director leaves the Board.

Under the Verizon Executive Deferral Plan, Directors may defer all or part of their annual cash retainer and meeting fees. A Director may elect to invest these amounts in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to participants in Verizon's Management Savings Plan.

Directors who served as directors of NYNEX Corporation participate in a charitable giving program. Under this program, *when a participant retires from the Board or attains age 65 (whichever occurs later) or dies, one or more charitable* contributions in the aggregate amount of $1,000,000 are made, payable in ten annual installments. Directors who served as directors of GTE Corporation participate in a similar program for which the aggregate contribution is $1,000,000, payable in five annual installments commencing upon the Director's death. The GTE and NYNEX programs are financed through the purchase of insurance on the life of each participant. The charitable giving programs are closed to future participants. In 2013, the aggregate cost of maintaining and administering the legacy charitable giving programs for all participants was $62,185.

The Directors are eligible to participate in the Verizon Foundation Matching Gifts Program. Under this program, which is open to all Verizon employees, the Foundation matches up to $5,000 per year of charitable contributions to accredited colleges and universities, $1,000 per year of charitable contributions to any non-profit with 501(c)(3) status, and $1,000 per year of charitable donations to designated disaster relief campaigns.

Director Compensation

Name	Fees Earned or Paid in Cash [1] ($)	Stock Awards [2] ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($)	All Other Compensation [4] ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Shellye L. Archambeau	8 333	160 280	0	0	0	0	168 613
Richard L. Carrión*	122 500	150 000	0	0	4 217	0	276 717
Melanie L. Healey	124 000	150 000	0	0	0	5 750	279 750
M. Frances Keeth	134 000	150 000	0	0	0	0	284 000
Robert W. Lane	128 000	150 000	0	0	4 462	0	282 462
Sandra O. Moose*	153 000	150 000	0	0	7 776	5 000	315 776
Joseph Neubauer*	149 000	150 000	0	0	0	0	299 000
Donald T. Nicolaisen*	153 000	150,000	0	0	0	0	303 000
Clarence Otis Jr.	128 000	150 000	0	0	10 692	0	288 692
Hugh B. Price*	135 000	150 000	0	0	1 471	5 000	291 471
Rodney E. Slater	122 000	150 000	0	0	0	0	272 000
Kathryn A. Tesija	132 000	150,000	0	0	632	0	282 632
Gregory D. Wasson	109 333	265 160	0	0	0	6 000	380 493

* Denotes a Chairperson of a standing or special committee

1 This column includes all fees earned or paid in 2013, whether the fee was paid in 2013 or deferred

2 For each Director this column reflects the grant date fair value of the Director's 2013 annual stock award computed in accordance with FASB ASC Topic 718. For Ms. Archambeau, this column reflects the grant date fair value of her annual share equivalents award valued at $12,500, which was prorated to reflect the portion of the year that she served on the Board, and includes the one-time grant of 3,000 Verizon share equivalents with the grant date fair value of $147,780 that she received upon her appointment to the Board effective December 1, 2013, in each case based on the closing price of Verizon's common stock on the grant date. For Mr. Wasson, this column reflects the grant date fair value of his annual share equivalents award valued at $125,000, which was prorated to reflect the portion of the year that he served on the Board, and includes the one-time grant of 3,000 Verizon share equivalents with the grant date fair value of $140,160 that he received upon his appointment to the Board effective March 1, 2013, in each case based on the closing price of Verizon's common stock on the grant date. The following reflects the aggregate number of share equivalent awards and the aggregate number of option awards outstanding as of December 31, 2013 for each person who served as a non-employee Director during 2013: Shellye Archambeau, 3,254 and 0, Richard Carrión, 90,366 and 0, Melanie Healey, 11,007 and 0, M. Frances Keeth, 38,399 and 0, Robert Lane, 48,982 and 0, Sandra Moose, 80,085 and 0, Joseph Neubauer, 99,201 and 7,798, Donald Nicolaisen, 45,615 and 0, Clarence Otis, Jr., 44,994 and 0, Hugh Price, 70,160 and 0, Rodney Slater, 20,131 and 0, Kathryn Tesija, 6,646 and 0, and Gregory Wasson, 5,851 and 0

3 This column reflects above-market earnings on nonqualified deferred compensation plans. Non-employee Directors do not participate in any defined benefit pension plan

4 This column reflects matching contributions made on the Directors' behalf under the Verizon Foundation Matching Gift Program.

Security Ownership of Certain Beneficial Owners and Management

Principal Shareholders

On March 3, 2014, there were approximately [XX] billion shares of Verizon common stock outstanding and each share is entitled to one vote. The following table sets forth information about persons we know to beneficially own more than five percent of the shares of Verizon common stock, based on our records and information reported in filings with the SEC. To the extent that information in the table is based on information contained in an SEC filing, it is accurate only as of the date referenced in the filing. On February 21, 2014 in connection with the Verizon Wireless transaction, we issued approximately 1.27 billion shares, thereby increasing our outstanding common stock by approximately 45%. As a result, it is possible that shareholders' percentage interest in our outstanding common stock has changed significantly since that date.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock Inc. 40 East 52nd Street New York, New York 10022	169,544,335	5.9%

* This information is based on a Schedule 13G filed with the SEC on February 10, 2014 by BlackRock Inc., setting forth information as of December 31, 2013. The Schedule 13G states that BlackRock Inc. has sole voting power with respect to 137,363,936 shares and shared voting power with respect to 17,014 shares and sole dispositive power with respect to the 169,527,321 shares and shared dispositive power with respect to 17,014 shares.

Directors and Executive Officers

In the following table, you can find information showing the number of shares of Verizon common stock beneficially owned by each of the named executive officers, each Director and all executive officers and Directors as a group as of January 31, 2014. This information includes shares held in Verizon's employee savings plans and shares that may be acquired within 60 days pursuant to the exercise of stock options and/or the conversion of certain stock units under deferred compensation plans. The aggregate number of shares owned by executive officers and Directors represents less than one percent of the total number of outstanding shares of Verizon common stock. Unless we have indicated otherwise, each individual and/or his or her family member(s) has or have sole or shared voting and/or investment power with respect to the securities. Executive officers and Directors also have interests in other stock-based units under Verizon deferred compensation plans and stock-based long-term incentive awards. We have included these interests in the "Total Stock-based Holdings" column in the table below to show the total economic interest that the executive officers and Directors have in Verizon common stock.

Name	Stock [1]	Total Stock-based Holdings [2]
Named Executive Officers		
Lowell McAdam*	322,191	1,298,685
Daniel Mead	46,164	434,492
Francis Shammo	73,686	410,817
John Stratton	53,197	378,090
Randal Milch	76,131	345,210
Directors:		
Shellye Archambeau	—	3,254
Richard Carrión	4,451	91,626
Melanie Healey	—	11,007
M. Frances Keeth	—	38,399
Robert Lane	—	48,982
Sandra Moose	—	80,085
Joseph Neubauer	24,859	145,348
Donald Nicolaisen	—	45,615
Clarence Otis, Jr.	3,000	47,994
Hugh Price	2,559	70,218
Rodney Slater	—	20,131
Kathryn Tesija	—	6,646
Gregory Wasson	—	5,851
All of the above and other executive officers as a group [3]	811,605	4,734,567

* Mr. McAdam also serves as a Director.

1 In addition to direct and indirect holdings, the "Stock" column includes shares that may be acquired within 60 days pursuant to the conversion of RSUs granted in 2011 as follows: 109,531 shares for Mr. McAdam; 23,823 shares for Mr. Mead; 44,360 shares for Mr. Shammo; 33,779 shares for Mr. Stratton; and 39,119 shares for Mr. Milch. The "Stock" column also includes shares that may be acquired within 60 days pursuant to the conversion of certain stock units under deferred compensation plans as follows: 12,771 shares for Mr. Milch, 3,191 shares for Mr. Carrión; and 2,501 shares for Mr. Price. Prior to conversion, the shares underlying the RSUs and deferred compensation units may not be voted or transferred. No shares are pledged as security.

2 The "Total Stock-based Holdings" column includes, in addition to shares listed in the "Stock" column, stock-based units under deferred compensation plans and stock-based long-term incentive awards, which may not be voted or transferred.

Section 16(a) Beneficial Ownership Reporting Compliance

SEC rules require that we disclose any late filings of stock transaction reports by our executive officers and Directors. Based solely on a review of the reports that we filed on behalf of these individuals or that were otherwise provided to us, our executive officers and Directors met all Section 16(a) filing requirements during calendar year 2013.

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CORPORATE GOVERNANCE GUIDELINES

The Board has adopted these Guidelines and the Committee Charters to provide a framework for the functioning of the Board. The Board will periodically review these materials and practices in light of ongoing developments and the Corporation's needs to determine whether any changes are required.

Role of the Board

The business of the Corporation is conducted by management, under the direction of the Board of Directors. The Board, and each committee of the Board, has complete access to management. In addition, the Board and each committee have access to independent advisors as each deems necessary or appropriate.

Strategic Planning and Management Development. At least once a year, the Board conducts a strategic planning session with management. The Board reviews succession planning and management development at least annually. The process includes consideration of organizational needs, competitive challenges, the potential of key managers, planning for future development and emergency situations.

Executive Sessions. The independent Directors of the Board meet at least twice each year in executive session. The non-employee Directors of the Board meet at least three times each year in executive session. Any Director has the right to call a meeting or executive session of the independent Directors or of the non-employee Directors.

In at least one executive session, the Board assesses the process and effectiveness of the Board (including opportunities for continuing education and orientation of new Directors) and considers any other matters that the Directors request. In an executive session of independent Directors, the Board receives the Human Resources Committee's report on the CEO's performance and compensation.

Presiding Director. At or prior to the Annual Meeting of Shareholders, the independent members of the Board of Directors shall elect an independent Director to serve as Presiding Director until the next Annual Meeting, or until his or her successor is elected and qualified. The Presiding Director shall act as liaison with the Chairman, in consultation with the other Directors. In addition, all Directors shall have direct and complete access to the Chairman at any time as they deem necessary or appropriate. The Presiding Director shall chair all executive sessions of the Board and all other meetings of the Board at which the Chairman is not present. The Presiding Director may, in his or her discretion, call a meeting of the Board or an executive session of the Board, and shall call an executive session at the request of any other Director.

The Presiding Director, in consultation with the Chairman, shall review and approve the schedule of meetings of the Board, the proposed agendas and the materials to be sent to the Board. Directors shall have the opportunity to provide suggestions for the meeting schedule, agenda items and materials to the Chairman or the Presiding Director.

Any shareholder or interested party may communicate directly with the Presiding Director:

Verizon Communications Inc.
Presiding Director
Board of Directors
140 West Street, 29th Floor
New York, New York 10007

Committees. There are three (3) standing committees of the Board: Audit, Corporate Governance and Policy, and Human Resources. The members of the Audit, Corporate Governance and Policy and Human Resources committees will be independent as required by law or regulation. The Board may change the number of committees from time to time.

The responsibilities of each committee are set forth in its charter, which is approved by the Board and posted on the Corporation's website. Each committee Chair approves the agenda and materials for each meeting and reports its actions and discussions to the Board as soon as practicable. At least annually, each committee conducts an assessment of its charter and its processes and effectiveness.

Membership. The Corporate Governance and Policy Committee annually reviews and recommends the members and Chair of each committee for approval by the Board. The Committee periodically considers rotating Chairs and members of the committees.

Meetings. Directors are expected to attend all meetings of the Board and each committee on which they serve. Directors are provided with a copy of the proposed agenda sufficiently in advance of each scheduled meeting in order to have the opportunity to comment on or make changes to the agenda. Directors standing for election are expected to attend the Annual Meeting of Shareholders.

Board Composition and Director Qualifications

The Board will periodically assess the needs of the Corporation to determine the appropriate size of the Board. At all times, a substantial majority of the Board will be independent and not more than two Directors will be current or former employees of Verizon.

Qualifications. A candidate must:

- Be ethical;
- Have proven judgment and competence;
- Have professional skills and experience in dealing with a large, complex organization or in dealing with complex problems that are complementary to the background and experience represented on the Board and that meet the needs of the Corporation;
- Have demonstrated the ability to act independently and be willing to represent the interests of all shareholders and not just those of a particular philosophy or constituency; and
- Be willing and able to devote sufficient time to fulfill his or her responsibilities to Verizon and its shareholders.

In assessing the appropriate composition of the Board, the Corporate Governance and Policy Committee also considers other factors that are relevant to the current needs of the Corporation, including those that promote diversity.

Identification and Consideration of Candidates. The Corporate Governance and Policy Committee considers candidates proposed by members of the Committee, other Directors, management and shareholders. The Committee considers candidates for re-election, provided that the candidate has consented to stand for re-election and tendered an irrevocable resignation to the Chairman of the Committee prior to nomination each year. All candidates are evaluated in the same manner. After the Committee has completed its evaluation, it presents its recommendation to the full Board for its consideration and approval. In presenting its recommendation, the Committee also reports on other candidates who were considered but not selected.

Verizon will conduct an orientation program for each new Director that includes, among other things, a review of the Corporation's business, financial condition, strategy, ethical obligations, key issues and other relevant topics.

Independence. A Director is considered independent if the Board finds that the Director is independent under the corporate governance listing standards of the New York Stock Exchange and the Nasdaq Stock Market. In addition, in evaluating independence, the Board will not consider a Director independent if:

1. *Within the past three years, the Director or a Member of the Director's Immediate Family has:*
   - Been an employee of Verizon or a Verizon subsidiary ("Verizon");

   - Received during any 12-month period more than $100,000 in direct compensation from Verizon (other than Director's compensation and other than pension or other deferred compensation for prior service with Verizon);
   - Been an executive officer of a company where at the same time a Verizon executive officer or executive in compensation Band 1 (each a "Verizon Senior Executive") served on the company's compensation committee.
2. The Director is retained under a personal or professional services contract by Verizon,
3. The Director is an employee, or a Member of the Director's Immediate Family is an executive officer, of a company that has made payments to, or received payments from, Verizon in an amount that, in any of the past three years, exceeded the greater of $1 million or one percent of that company's consolidated gross revenues,
4. The Director is an executive officer of a lender to Verizon and Verizon's outstanding indebtedness to the lender in any of the past three years exceeded one percent of the lender's outstanding loans at the end of the lender's fiscal year,
5. The Director is an executive officer of a non-profit entity that has received contributions from Verizon or its Foundation that, in any of the past three years, exceeded one percent of that entity's consolidated gross revenues (excluding matching gift contributions by Verizon's Foundation); or
6. The Director has any other relationship that the Board determines is inconsistent with applicable laws and regulations on directors' independence or that is likely to impair the Director's ability to act independently.

For purposes of these Guidelines except as otherwise noted, a Member of a Director's Immediate Family includes his or her spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the Director's home.

An executive officer of a company on whose board a Verizon Senior Executive serves is not eligible for nomination as a new Director of the Corporation.

Related Person Transaction Policy

Definitions. For purposes of this Policy,

"*Related Person*" means:

1. any person who has served as a Director or a Verizon executive officer ("Officer") at any time during the Corporation's last fiscal year,
2. any person whose nomination to become a Director has been presented in a proxy statement relating to the election of Directors since the beginning of the Corporation's last fiscal year;
3. any person who was at any time during the Corporation's last fiscal year an "Immediate Family Member" of any of the persons listed above. Immediate Family Member means spouse, child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Director, Officer or nominee, and any person (other than a tenant or employee) sharing the household of such Director, Officer or nominee; or
4. any person or any Immediate Family Member of such person who is known to the Corporation to be the beneficial owner of more than 5 percent of the Corporation's stock at the time of the Transaction (as defined below).

"*Related Person's Firm*" means any firm, corporation or other entity in which a Related Person is an executive officer or general partner or in which all Related Persons together have a 10 percent or more ownership interest.

"*Transaction*" means any transaction, arrangement or relationship with Verizon since the beginning of the Corporation's last fiscal year in an amount greater than $120,000 that involves or will involve a Related Person or a Related Person's Firm. It does not include:

(a) compensation to a Director or Officer which is or will be disclosed in the Corporation's proxy statement;

(b) compensation to an Officer who is not an Immediate Family Member of a Director or of another Officer and which has been approved by the Human Resources Committee or the Board;
(c) a transaction in which the rates or charges involved are determined by competitive bids, or which involves common, contract carrier or public utility services at rates or charges fixed in conformity with law or governmental authority;
(d) a transaction that involves services as a bank depositary of funds, transfer agent, registrar, indenture trustee, or similar services; or
(e) a transaction in which the Related Person's interest arises solely from the ownership of Verizon stock and all shareholders receive the same benefit on a pro rata basis.

"*Related Person Transaction*" means a Transaction in which a Related Person is determined to have, had, or will have a direct or indirect material interest.

Policy Statement. The Board of Directors recognizes that Related Person Transactions can present potential conflicts of interest (or the perception thereof) and therefore has adopted this policy which shall be followed in connection with all Related Person Transactions involving the Company.

Process. Annually, each Director and Officer shall submit to Verizon the name and employment affiliation of his or her Immediate Family Members and the name of any Related Person's Firm with which any of them are affiliated. Directors and Officers shall notify Verizon promptly of any changes to this information. Each Director and Officer shall also identify any Transaction that they, their Immediate Family Members or their Related Person Firms are or will be involved in. On an ongoing basis, Directors and Officers shall promptly advise the Committee of any changes to such Immediate Family Members, Transactions or Related Person Firms.

Management shall submit Transactions and appropriate supplemental information to the Corporate Governance and Policy Committee for its review.

The Corporate Governance and Policy Committee shall review Transactions in order to determine whether a Transaction is a Related Person Transaction. The Committee shall take such action with respect to the Related Person Transaction as it deems necessary and appropriate under the circumstances, including approval, disapproval, ratification, cancellation, or a recommendation to management. Only disinterested members of the Committee shall participate in these determinations. In the event it is not practical to convene a meeting of the Corporate Governance and Policy Committee, the Chair of that Committee shall have the right to make such determination and shall promptly report his or her determination in writing to the other members of the Committee.

The Committee shall report its action with respect to any Related Person Transaction to the Board of Directors.

Change In Status or Retirement

If a Director retires or changes his or her employment status or principal responsibility, the Director will tender a resignation to Verizon. The Corporate Governance and Policy Committee will recommend to the Board whether the resignation should be accepted.

Service on Other Boards

A Director who serves as an executive officer of a public company should not serve on more than three public company boards, including that of his or her own company, and other Directors should not serve on more than six public company boards. In order not to disrupt existing affiliations with other boards, a Director may maintain current positions, even if the number of those positions exceed these limits, unless the Board determines that permitting the position to continue will impair the Director's ability to serve on the Verizon Board. Directors are expected to advise the Corporate Governance and Policy Committee of any changes in their membership on other boards.

Retirement

A Director will retire from the Board the day before the Annual Meeting of Shareholders next following his or her 72nd birthday.

Compensation

The Human Resources Committee periodically reviews and determines Director compensation and benefits. The Committee determines compensation based on a review of comparable companies, alignment with the interests of shareholders and the advice of independent advisors.

Stock Ownership

Within three years of joining the Board, each Director shall acquire, and continue to hold during his or her tenure on the Board, Verizon stock with a value equivalent to three times the cash component of the annual Board retainer. Shares held by the Director under any deferral plan are included in determining the number of shares held.

Business Conduct and Ethics

Directors are expected to act in compliance with these Guidelines, applicable laws and regulations, and the spirit of the Verizon Code of Business Conduct for employees. Employee Directors are also governed by Verizon's Code of Business Conduct.

Conflicts of Interest. A Director should avoid situations that result or appear to result in a conflict of interest with Verizon. A Director may be considered to have a conflict of interest if the Director's interest interferes or appears to interfere in any material way with the interests of Verizon, including if:

- The Director, any Member of the Director's Immediate Family, or any company with which any of them is associated as an officer, director, five percent or more owner, partner, employee or consultant (i) is a five percent or more owner of, or (ii) has any management interest in, any company that is in the same business as Verizon ("potential competitive interest"), or
- The Director offers gifts or other benefits to or solicits or receives gifts or other benefits from another entity as a result of his or her position with Verizon, or
- The Director has any other relationship that the Corporate Governance and Policy Committee believes is likely to result in a conflict of interest with Verizon.

A non-employee Director is expected to advise Verizon prior to acquiring or continuing any interest or entering into any transaction or relationship that may present a potential competitive interest. The Corporate Governance and Policy Committee, in consultation with the CEO and Chairman, will review and advise the Board as soon as practicable whether a conflict would be presented.

Corporate Opportunities. A Director should not take advantage of an opportunity to engage in a business activity that properly belongs to Verizon, including any activity that is discovered as a result of the use of Verizon information or property or in connection with his or her service as a Director. A Director should not use Verizon information, property or his or her position with Verizon for personal gain.

Securities Transactions. A Director should not trade, or enable any other person to trade, in Verizon's securities or the securities of another company while aware of material non-public information.

Confidentiality. Directors should maintain the confidentiality of information about Verizon and other entities which Verizon entrusts to them, except where the disclosure is authorized or required by law.

Fair Dealing. Directors should act fairly in any dealings with the Corporation's stakeholders, including customers, suppliers, competitors, employees and shareholders.

Waiver. No waiver of any provision of the business conduct and ethics requirements for a Director, or of any provision of the Verizon Code of Business Conduct for a Verizon Senior Executive, may be granted without the approval of the Board of Directors. The Board is strongly predisposed against any such waivers. However, in order to approve any such waiver, the Board must affirmatively find that the waiver does not violate any applicable law or regulation and that the waiver is in the best interests of the Corporation. In the event the Board approves a waiver, it will ensure that the waiver and the Board's rationale for granting the waiver are promptly disclosed, consistent with applicable legal and stock exchange requirements.

Verizon Senior Executives Serving on Outside Boards

A Verizon Senior Executive must obtain approval from the Corporate Governance and Policy Committee in advance of accepting any new membership on the Board of a public company. Verizon Senior Executives may not serve on the Board of more than two public companies other than Verizon.

A Verizon Senior Executive will not accept a new directorship with a company if the CEO or other executive officer of that company is serving as a Director of Verizon.

Shareholder Communications with Directors

If a shareholder wishes to communicate directly with the Board, a Committee of the Board or with an individual Director, he or she should send the communication to:

Verizon Communications Inc.
The Board of Directors [or Committee name or Director's name, as appropriate]
140 West Street, 29th Floor
New York, New York 10007

Verizon will forward all shareholder correspondence about Verizon to the Board, Committee or individual Director(s).

Policy on Adoption of Shareholder Rights Plans

The Corporation does not currently have a shareholder rights plan, or "poison pill," and the Board currently has no plans to adopt such a plan. However, if the Board is presented with a set of facts and circumstances which leads it to conclude that adopting a rights plan would be in the best interest of shareholders, it will seek prior shareholder approval unless the independent Directors, exercising their fiduciary duties, determine that such submission would not be in the best interests of shareholders under the circumstances. If any rights plan is adopted without prior shareholder approval, it will be presented to shareholders within one year or expire within one year without being renewed or replaced. Any plan adopted by the Board will also contain a "sunset" provision, providing that shareholders will have the opportunity to ratify or reject the plan every three years following the date of initial shareholder approval.

Shareholder Advisory Vote

Effective with the Corporation's 2009 Annual Meeting of Shareholders, a management proposal related to executive compensation in the form approved by the Board of Directors will be submitted annually to shareholders for a non-binding vote.

Appendix B

Related Dow Peer Information

The following chart lists the companies included in the Related Dow Peers for 2013 compensation purposes, and their market capitalization as of December 31, 2013, as reported by Bloomberg, and net income attributable to the company, revenue and total employees, as of each company's most recent fiscal year-end as reported in SEC filings.

Company	Market Capitalization ($ Millions)	Net Income Attributable to the Company ($ Millions)	Revenue ($ Millions)	Total Employees
3M	93,300			
Alcoa	11,385			
American Express	97,196			
AT&T	185,649			
Bank of America	166,072			
Boeing	102,566			
Caterpillar	57,767			
CenturyLink	18,826			
Chevron	240,224			
Cisco Systems	119,925			
Coca-Cola	182,422			
Comcast	134,921			
Du Pont (E I)	60,169			
Exxon Mobil	447,094			
General Electric	263,590			
Hewlett-Packard	53,408			
Home Depot	115,953			
IBM	203,674			
Intel	129,022			
Johnson & Johnson	258,410			
JPMorgan Chase	219,837			
McDonald's	96,548			
Merck	146,243			
Microsoft	312,298			
Pfizer	198,515			
Procter & Gamble	221,291			
Sprint Nextel	42,271			
Time Warner Cable	38,196			
Travelers	32,963			
UnitedHealth	75,809			
United Technologies	104,471			
Wal-Mart	254,623			
Walt Disney	134,256			
Verizon	140,626			
Verizon's Ranking	15			
Verizon's Percentile Ranking	58%			

Appendix C

Verizon Communications Inc. Reconciliation of Non-GAAP Measures

Adjusted Net Income Reconciliation

	(dollars in billions)
Year Ended December 31,	2013
Reported Net Income Attributable to Verizon	$ 11.5
Severance, Pension and Benefit Credits	(3.9)
Gain on Spectrum License Transaction [1]	-
Wireless Transaction Costs	0.6
Adjusted Net Income Attributable to Verizon	$ 8.2

[1] The after-tax Gain on Spectrum License Transaction amounted to $47.8 million.

Adjusted EPS Reconciliation

Year Ended December 31,	2013
Reported EPS	$4.00
Severance, Pension and Benefit Credits	(1.35)
Gain on Spectrum License Transaction	(0.02)
Wireless Transaction Costs	0.20
Adjusted EPS	$ 2.84

Note: EPS may not add due to rounding.

Free Cash Flow Reconciliation

	(dollars in billions)
Year Ended December 31,	2013
Net Cash Provided by Operating Activities	$ 38.8
Less: Capital Expenditures (including capitalized software)	16.6
Free Cash Flow	$ 22.2

City of Chicago

O2015-777

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Approval of multi-family loan with PP Family, LLC for construction of affordable housing at 5001 S Lawndale Ave
Committee(s) Assignment:	Committee on Finance

FIN.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the execution of Multi-Family Loan agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Planning and Development ("DPD"); and

WHEREAS, DPD has preliminarily reviewed and approved the making of a loan to PP Family, LLC, an Illinois limited liability company (the "Borrower"), the managing member of which is PP Family Manager, LLC, an Illinois limited liability company (the "Managing Member"), in an amount not to exceed $6,689,009 (the "Loan"), to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Upon the approval and availability of the Additional Financing as shown in Exhibit A hereto, the Commissioner of DPD (the "Commissioner") and a designee of the Commissioner (collectively, the "Authorized Officer") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 3. The Project (as described on Exhibit A hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage and approval

EXHIBIT A

BORROWER			PP Family, LLC, an Illinois limited liability company, the managing member of which is PP Family Manager, LLC, an Illinois limited liability company (the "Managing Member"). BYNC Development LLC – Series Park Place, an Illinois limited liability company, is a member of the Managing Member, the sole member of BYNC Development LLC – Series Park Place is Back of the Yards Neighborhood Council, an Illinois not-for-profit corporation.
PROJECT.			Acquisition of real property located at 5001 South Lawndale Avenue (the "Property") and construction thereon of 14 buildings and of approximately 78 dwelling units contained therein as one-, two- and three-bedroom units for low- and moderate-income families and certain shared amenities which may include a parking lot, a rain garden, and a community building with a management office, maintenance facility, community room, computer lab and exercise room
LOAN:		Amount:	Not to exceed $6,689,009
		Term:	Not to exceed 30 years
		Source:	Multi-Family Program Funds
		Interest:	Not to exceed zero percent per annum, or another rate or rates acceptable to the Authorized Officer
		Security:	Non-recourse loan; mortgage on the Property (the "City Mortgage")
ADDITIONAL FINANCING:			
	1.	Amount:	Approximately $13,000,000 (the "Bridge Loan"), or such other amount acceptable to the Authorized Officer
		Term:	Not to exceed 30 months, or another term acceptable to the Authorized Officer
		Source:	Bank of America, NA, or another entity acceptable to the Authorized Officer
		Interest	A variable rate of interest equal to one month LIBOR plus a margin of 250 basis points, with a maximum interest rate not to exceed that which may be paid on the Bridge Loan under Illinois State Law, or another rate or rates acceptable to the Authorized Officer
		Security:	A mortgage on the Property senior to the City Mortgage, or other security acceptable to the Authorized Officer
	2	Amount	Approximately $750,000, or such other amount acceptable to the Authorized Officer
		Term	Not to exceed 20 years, or another term acceptable to the Authorized Officer
		Source	IFF (formerly known as Illinois Facilities Fund), or another entity acceptable to the Authorized Officer
		Interest	Not to exceed seven percent per annum, or another rate or rates acceptable to the Authorized Officer
		Security	A mortgage on the Property senior to the City Mortgage, or other security acceptable to the Authorized Officer

3	Low-Income Housing Tax Credit ("LIHTC") Proceeds:	Approximately $17,062,929 all or a portion of which may be paid in on a delayed basis and all or a portion of which may be used to retire all or a portion of the Bridge Loan.
	Source:	To be derived from the syndication of $1,688,695 LIHTC allocation by the City
4.	Amount:	Approximately $875,000, or such other amount acceptable to the Authorized Officer
	Term:	Not to exceed 40 years, or another term acceptable to the Authorized Officer
	Source:	To be derived from the sale of approximately $1,871,122 Illinois Affordable Housing Tax Credits allocation by the City which sale proceeds will be either loaned to the Borrower by Back of the Yards Neighborhood Council or contributed as capital to the Borrower by the Managing Member
	Interest:	Not to exceed zero percent per annum, or another rate or rates acceptable to the Authorized Officer
	Security:	A mortgage on the Property junior to the City Mortgage, or other security acceptable to the Authorized Officer
5.	Amount:	Approximately $1,000,000, or such other amount acceptable to the Authorized Officer
	Term:	Not to exceed 18 years, or another term acceptable to the Authorized Officer
	Source:	Bank of America, NA, or another entity acceptable to the Authorized Officer
	Interest	Not to exceed zero percent per annum, or another rate or rates acceptable to the Authorized Officer
	Security	A mortgage on the Property senior to the City Mortgage, or other security acceptable to the Authorized Officer
6	Amount	$100
	Source	Managing Member

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

PP Family, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. **[ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:** _____

B. Business address of the Disclosing Party: 6666 Dundee Rd, Suite 1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: DavidB@Brinshore.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-Family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. *Indicate the nature of the Disclosing Party:*

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below** the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
PP Family Manager, LLC	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
PP Family Manager, LLC	1111 Dundee Rd #1102, Northbrook, IL 60062	100%*

* 99.9% TO BE TRANSFERRED AT CLOSING TO U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION 1307 WASHINGTON AVENUE, SUITE 300, ST. LOUIS, MO 63103

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
See attached			

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

Name	Business Address	Relationship to Disclosing Party	Fees
McShane Construction Co. (retained)	9550 West Higgins Road #200, Rosemont, IL 60018	General Contractor	$20,092,379.00 (estimated)
Bank of America Merrill Lynch (anticipated)	231 South LaSalle Street Chicago, Illinois 60604	Lender	$750,850.00 (estimated)
PP Family, LLC (retained)	666 Dundee Road # 1102, Northbrook, IL 60062	Applicant	$1,948,570.00 (estimated)
Landon Bone Baker Architects (retained)	734 North Milwaukee Avenue, Chicago, IL 60642	Architect	$426,013.00 (estimated)
Applegate & Thorne-Thomsen, P.C. (retained)	626 West Jackson Boulevard # 400, Chicago, IL 60661	Attorney	$278,067.00 (estimated)
TERRA Engineering, Ltd. (retained)	225 W. Ohio Street, 4th Floor Chicago, IL 60654	Engineer	$18,000.00 (estimated)
Flood Testing Laboratories, Inc. (retained)	1945 East 87th Street, Chicago, IL 60617	Geotechnical Tester	$15,000.00 (paid)
Mesirow Financial (anticipated)	353 North Clark Street, Chicago, IL 60654	General Liability Insurer	$80,000.00 (estimated)
Pioneer Engineering and Environmental Services (retained)	700 North Sacramento Boulevard, Chicago, IL 60612	Environmental Development Tester	$9,000.00 (paid)
Kutak Rock (retained)	Charter One Bank, 1 South Wacker Drive, Chicago, IL 60606	Construction Lender Attorney	$53,000.00 (estimated)
Novogradic & Co., LLP (retained)	318 W. Adams Street Chicago, IL 60606	Consultant	$9,000.00 (estimated)
FLS Group, LLC (anticipated)	4709 Golf Road, Skokie, IL 60076	Accountant	$15,000.00 (estimated)
Gill Group (retained)	512 North 1 Mile Road, Dexter, MO 63841	Appraiser	$7,000.00 (paid)
Greater Illinois Title (retained)	6158 North Milwaukee Avenue, Chicago, IL 60646	Title Issuer	$30,000.00 (estimated)
Back of the Yards Neighborhood Council (retained)	1751 W 47th St, 2nd Floor, Chicago, IL 60609	Member of Ownership	$1,832,000.00 (estimated)
City of Chicago, Department of Planning and Development (anticipated)	121 North LaSalle Street # 1006, Chicago, Illinois 60602	Tax Credit Issuer	$160,000.00 (estimated)
Cook County Treasurer's Office (retained)	118 North Clark Street #112, Chicago, IL 60602	Tax Levying Body for Construction Period Property Taxes	$39,000.00 (estimated)
		Total:	$25,762,879.00

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold** for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). **Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. **List below the names of all persons or entities registered under the federal Lobbying** Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[X] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [X] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [X] No

If you checked "No" to question 1 or 2. above, please provide an explanation
The applicant does not have any employees and is a single purpose entity.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

PP Family, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President, Brint Development, Inc.; Member, Brinshore Development, LLC; Member, Brinshore Holding, LLC, Member, PP Family Manager, LLC, Managing Member, PP Family, LLC
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14
at Cook County, IL (state)

Eva Frusti Notary Public

Commission expires: 8/5/18

ÉVA FRUSTI
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 05, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

PP Family Manager, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: Colelle Dundee Rd, Suite 1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: DavidB@Brinshore.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable). Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning and Development Multi-family Funding for Park Place Development

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Signature Holding, LLC	Member
RMC Guardsman, LLC - Series Park Place	Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brinshore Holding, LLC	6060 Dunlap Rd #1102, Northbrook, IL 60062	85%
BYNC Development LLC - Series Park Place	1751 W 47th St., 2nd Floor, Chicago, IL 60609	15%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] **No person directly or indirectly owns 10% or more of the Disclosing Party.**

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment, common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold** for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, **"City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

_____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5 If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate **and complete as of the date furnished to the City.**

PP Family Manager, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President, Brint Development, Inc., Member, Brinshore Development, LLC, Member Brinshore Holding, LLC, Member, PP Family Manager, LLC
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14.
at: Cook County, IL (state)

Eva Frusti Notary Public

Commission expires: 8/5/18

EVA FRUSTI
OFFICIAL SEAL
Notary Public State of Illinois
My Commission Expires
August 05 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Brinshore Holding, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: c/o/o Dundee Rd, Ste 1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-502-9401 Email: DavidB@Brinshore.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s)

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf

Name	Title
Brinshore Development, LLC	Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brinshore Development, LLC	1606 Dundee Rd., #1102, Northbrook, IL, 60062	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] **No person directly or indirectly owns 10% or more of the Disclosing Party.**

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity.
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary).

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively,** "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power **does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter. (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Brinshore Holding, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President, Brint Development, Inc.; Member, Brinshore Development, LLC
Member, Brinshore Holding, LLC
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14,
at Cook County IL (state)

Eva Frusti Notary Public

Commission expires 8/5/18

ÉVA FRUSTI
OFFICIAL SEAL
Notary Public State of Illinois
My Commission Expires
August 05 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Brinshore Development, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1010 Dundee Rd, # 1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: DavidB@Brinshore.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. **For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?**

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity.** **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
RJS Real Estate Services, Inc.	Member
Brint Development, Inc.	Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
RJS Real Estate Services, Inc.	c/o 1 Dundee Rd. #1102, Northbrook, IL	50%
Brint Development, Inc.	c/o 1 Dundee Rd #1102, Northbrook, IL 60062	50%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] **No person directly or indirectly owns 10% or more of the Disclosing Party.**

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency, and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. **have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any** state, or any other unit of local government.

3. **The certifications in subparts 3, 4 and 5 concern:**

• **the Disclosing Party;**
• **any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in** connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment, common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively,** "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power **does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2 above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Brinshore Development, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President, Brint Development, INC.;
Member, Brinshore Development, LLC
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14
at Cook County, IL (state).

Eva Frusti Notary Public.

Commission expires: 8/5/18

EVA FRUSTI
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 05 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Brint Development, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1616 Dundee Rd. #1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: DavidB@brintre.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
David Brint	President / Owner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
David Brint,	1110 Dundee Rd #1102, Northbrook, IL 60062,	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery, bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership, identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity,

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges.

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold** for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power **does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. **List below the names of all persons or entities registered under the federal Lobbying** Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter. (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Brint Development, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14,
at Cook County, IL (state).

Eva Frusti Notary Public

Commission expires. 8/5/18

EVA FRUSTI
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 05, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

RJS Real Estate Services, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1060 E Dundee Rd. #1102
Northbrook, IL 60062

C. Telephone: 224-927-5053 Fax: 847-562-9401 Email: RichS@Brinshore.com

D. Name of contact person: Richard Sciortino

E. Federal Employer Identification No (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-family Funding for Park Place Development.

G Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Richard Sciortino	Member / Owner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Richard Sciortino,	1616 Dundee Rd #1102, Northbrook, IL 60062,	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity): with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges.

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary).

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold** for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, **"City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary).

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate **and complete as of the date furnished to the City.**

RJS Real Estate services, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Richard Sciortino
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 22nd, 2014
at Cook County, Illinois (state).

Peter Iwan Notary Public.

Commission expires: 10/15/2018

OFFICIAL SEAL
PETER ILEVAVI
Notary Public - State of Illinois
My Commission Expires 10/15/2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BYNC Development LLC - Series Park Place

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1751 W 47th St
Chicago, IL 60609

C. Telephone: 773-523-4416 Fax: 773 254 3525 Email: CCHICO@BYNC.ORG

D. Name of contact person: Craig Chico

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).**

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name SOLE MEMBER - Back of the Yards Neighborhood Council Title

Phil Fuentes - Chairman of the Board
Craig Chico - President & CEO
Patricia Doherty Wildner - Treasurer
Board Members: Rick Guentile, Dan Arce, Kim McCullough, Cesar Dovalina

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
BACK OF THE YARDS NEIGHBORHOOD COUNCIL	1751 W 47TH ST CHICAGO IL	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. **have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.**

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of **America that contains the same elements as the offense of bid-rigging or bid-rotating.**

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary)

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [✓] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [✓] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI – CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [✓] No

If "Yes," answer the three questions below:

1. **Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)**

[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at **law for a false statement of material fact may include incarceration and an award to the City of treble damages.**

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code

The Disclosing Party represents and warrants that

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BYNC DEVELOPMENT LLC - SERIES PARK PLACE

(Print or type name of Disclosing Party)

By: Craig Chmco

(Sign here)

CRAIG CHMCO

(Print or type name of person signing)

PRESIDENT

(Print or type title of person signing)

Signed and sworn to before me on (date) December 19th, 2014,
at Cook County, Illinois (state).

Notary Public.

Commission expires. 07-15-2014.

OFFICIAL SEAL
MARIA G NEVAREZ
Notary Public - State of Illinois
My Commission Expires Jul 15, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [✓] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Back of the Yards Neighborhood Council

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] **a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:** _____

B. Business address of the Disclosing Party: 1751 W. 47th St 2nd FL
Chicago, IL. 60609

C. Telephone: 773 523 4416 **Fax:** 773 254 3525 **Email:** CCHICO@BYNC.ORG

D. Name of contact person: CRAIG CHICO

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-Family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[✓] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[✓] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity.
NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.
NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Phil Fuentes - Chairman of the Board	Rick Gentile - Board Member
Craig Chico - President and CEO	Kimberly McCullough Board Member
Patricia Doherty Wildner Treasure	Cesar Dovalina - Board Member
Dan Acre - Board Member	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[✓] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [✓] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1 Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. **have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.**

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6 The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [✓] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power** does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [✓] No

3. **If you checked "Yes" to Item D.1., provide the names and business addresses of the City** officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. **Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)**
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at **law for a false statement of material fact may include incarceration and an award to the City of treble damages.**

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article 1 of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BACK OF THE YARDS NEIGHBORHOOD COUNCIL

(Print or type name of Disclosing Party)

By: Craig Chico

(Sign here)

CRAIG CHICO

(Print or type name of person signing)

PRESIDENT

(Print or type title of person signing)

Signed and sworn to before me on (date) December 19, 2016

at Cook County, Illinois (state).

Notary Public.

Commission expires: 03-15-2017.

OFFICIAL SEAL
MARIA G NEVAREZ
Notary Public - State of Illinois
My Commission Expires Jul 15, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

U.S. Bancorp Community Development Corporation

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC (expected to hold 99.99% interest at closing)
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1307 Washington Avenue, Suite 300
St. Louis, MO 63103

C. Telephone: 314-335-2600 Fax: 314-335-2601 Email: kacey.mahrt@usbank.com

D. Name of contact person Kacey Mahrt

E. Federal Employer Identification No. (if you have one):

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable)

Construction of 78 units of affordable housing

G. Which City agency or department is requesting this EDS? Department of Planning and Development (DPD)

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Minnesota corporation

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Zachary Boyers, Chairman and Chief Executive Officer	
Elizabeth Stohr, President	
Kristy Carstensen, Chief Financial Officer	
Kristen Switzer, Head of Asset Management	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
U.S. Bank National Association	800 Nicollet Mall, Minneapolis, MN 55402	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents")

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary)

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

U.S. Bancorp Community Development Corporation
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Kacey Mahrt
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) December 22, 2014
at St. Louis City County, MO (state).

_____ Notary Public

Commission expires: _____

AMANDA G MARTINEZ
Notary Public - Notary Seal
State of Missouri, Saint Louis City
Commission # 11209935
My Commission Expires Jul 5, 2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

U.S. Bank National Association

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 800 Nicollet Mall
Minneapolis, MN 55402

C. Telephone: 314-335-2600 Fax: 314-335-2601 Email: kacey.mahrt@usbank.com

D. Name of contact person: Kacey Mahrt

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Construction of 78 units of affordable housing

G. Which City agency or department is requesting this EDS? Department of Planning and Development (DPD)

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[X] Other (please specify)
National banking association

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

United States

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

* U.S. Bank National Association operates branches in the state of Illinois under the authority of its natioanl bank charter and is therefore not required to register as a foreign corporation with the state.

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Please see attached	

2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

U.S. Bank National Association Organizational Structure

December 19, 2014

U.S. Bank National Association Board of Directors
Carlson, Jennie P.
Cecere, Andrew
Chosy, James L
Collins, Arthur D Jr.
Davis, Richard K
Dolan, Terrance R.
Elmore, John R.
Hoesley, Joseph C.
Joseph, Pamela A.
Parker, P W (Bill)
Payne, Richard B Jr.
Runkel, Mark G.
Schnuck, Craig D.
Stone, Kent V.
von Gillern, Jeffry H.

U.S. Bank National Association Executive Officers	Title
Davis, Richard K.	Chairman, President and Chief Executive Officer
Carlson, Jennie P.	Executive Vice President
Chosy, James L.	Executive Vice President, General Counsel and Secretary
Runkel, Mark G.	Executive Vice President and Chief Credit Officer
Cecere, Andrew	Vice Chairman and Chief Financial Officer
Dolan, Terrance R	Vice Chairman
Elmore, John R	Vice Chairman, Community Banking and Branch Delivery
Hoesley, Joseph C	Vice Chairman
Joseph, Pamela A	Vice Chairman
Parker, P W (Bill)	Vice Chairman and Chief Risk Officer
Payne, Richard B Jr	Vice Chairman
Stone, Kent V	Vice Chairman, Consumer Banking Sales and Support
von Gillern, Jeffry H	Vice Chairman

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
U.S. Bancorp	800 Nicollet Mall, Minneapolis, MN 55402	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership, identity of interests among family members, shared facilities and equipment; common use of employees, or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity): with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

Please see Attachment B in response to Section V-B-2(e). Disclosing Party asserts no other exceptions to the certification

Attachment B

City of Chicago
Economic Disclosure Statement and Affidavit

Statement Regarding Further Certifications

U.S. Bank National Association itself is a mortgage lender. U.S. Bank National Association is also one of the largest corporate trustees in the United States and in such capacity is trustee of numerous mortgage-backed securitization trusts that each hold multiple real property mortgages. From time to time, mortgage borrowers in Chicago default on payment of real estate taxes or otherwise fail to comply with City of Chicago's requirements with respect to certain mortgaged properties. This can result in legal action against the borrower by the City of Chicago, which legal action may name U.S. Bank National Association as the mortgage holder (either in its individual capacity or in its capacity as a trustee). As of December 22, 2014, U.S. Bank National Association was aware of outstanding claims against it (individually or in its capacity as trustee) totaling $154,040.89 wherein the City of Chicago or one of its departments or divisions (including the Department of Buildings and the Department of Streets and Sanitation) is the creditor. The vast majority of this amount is related to properties that U.S. Bank National Association holds in trust and for which it does not do the servicing. U.S. Bank National Association, both in its individual capacity and in its capacity as a trustee meets periodically with various City officials to address these claims.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[X] is [ ] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

____1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

_X_2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

Please see Attachment A and the related letter dated April 29, 2004.

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

Attachment A

City of Chicago
Economic Disclosure Statement and Affidavit

Statement Regarding Slavery Era Business

U.S. Bank National Association was formed from the following major banks: (1) Star Bank, National Association (Cincinnati, Ohio) changed its name to Firstar Bank, National Association (Cincinnati, Ohio) effective February 1999; (2) Mercantile Bank National Association (St. Louis, Missouri) merged into Firstar Bank, National Association (Cincinnati, Ohio) effective April 2000; (3) United States National Bank of Oregon (Portland, Oregon) merged with First Bank, National Association under the title U.S. Bank National Association effective August 1997; (4) U.S. Bank National Association merged into Firstar Bank, National Association, and the succeeding bank, changed its name to U.S. Bank National Association effective August 2001. These banks acquired through mergers and acquisitions numerous smaller banks. There are five hundred and forty-two U.S. Bank National Association predecessors. Thirty-five predecessors were founded before the abolition of slavery in December 1865. Thirteen of the pre-1866 predecessors were established in southern slave-holding states and territories, including Kansas, Kentucky, Missouri, and Tennessee.

In reviewing historical records held in various external repositories in accordance with the research requirements as set forth in the City of Chicago Office of the Corporation Counsel opinion letter dated April 29, 2004 (attached hereto), U.S. Bank National Association has identified external records of its predecessors which necessitate disclosure. The conveyance records, while showing no record of direct ownership of enslaved individuals did contain records of founders and/or directors of predecessor banks owning enslaved individuals, as well as a record where an enslaved individual was the collateral for a loan. Specifically, the first president of predecessor Marion National Bank of Lebanon, Kentucky (founded in 1856), Benedict Spalding, owned two enslaved individuals in 1850. In 1860 someone with a similar name "Benidict Spalding" is also listed as having owned fourteen enslaved individuals. In addition, certain members of the Marion National Bank of Lebanon's board of directors (called "commissioners") owned approximately forty-seven enslaved individuals in total (the records include abbreviated names, which we conclude may be references to commissioners). The first president of predecessor First National Bank of Clarksville, Tennessee (founded in 1865), S.F. Beaumont, owned one enslaved individual in 1860. The first president of predecessor St. Louis Building and Savings Association, Missouri (formed in 1857), Marshall Brotherton, owned ten enslaved individuals in 1850 and four enslaved individuals in 1860. Merchants Bank (founded in 1857) and Bank of St. Louis (founded in 1857), both predecessors, along with a group of other St. Louis firms, issued a mortgage to Charles McLaran that was secured by his property, which included an unspecified number of enslaved individuals. However, the 1860 Federal Census Slave Schedule for St. Louis provided that Charles McLaran owned thirteen enslaved individuals.

The above is only a summary. U.S. Bank National Association has previously provided the City of Chicago with supporting attachments.

U.S. Bancorp, the parent company of U.S. Bank National Association, was founded after the slavery era and has no separate assets or activities that pre-date the 20th century. As such, it has no disclosure separate from that of the bank.

City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-6900
(312) 744-8538 (FAX)
(312) 744-2963 (TTY)

http://www.ci.chi.il.us

April 29, 2004

Hon. Edward M. Burke
Chairman, City Council Committee on Finance
City Hall, Room 302
121 North La Salle Street
Chicago Illinois 60602

Re: Question regarding Economic Disclosure Statement and Affidavit, Part VI ("Certification Regarding Slavery Era Business") and Resolution pending before the Joint Committee on Finance and Human Relations

Dear Alderman Burke:

In a letter dated April 26, 2004, you indicated that a special committee of the City Council, consisting of the combined Committee on Finance and the Committee on Human Relations, currently has under consideration a resolution that raises certain issues regarding interpretation of Section 2-92-585 of the Chicago Municipal Code, the Business, Corporate and Slavery Era Insurance Ordinance. That ordinance requires every city contractor to "complete an affidavit verifying that the contractor has searched any and all records of the company *or any* predecessor company regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era. The names of any slaves or slaveholders described in those records must be disclosed in the affidavit." (Emphasis supplied)

The affidavit requirement of Section 2-92-585 has been incorporated into the standard Economic Disclosure Statement ("EDS") completed by city contractors as Part VI, entitled "Slavery Certification." The EDS requires an entity contracting with the city to verify that it has "searched any and all records of the Undersigned *and any and all* predecessor entities for records of investments or profits from slavery, the slave industry, or shareholder insurance policies." (Emphasis supplied) The EDS form then requires the contracting entity to disclose the results of that search.

You have asked specifically whether it is "reasonable to interpret the language 'records of the undersigned and any and all predecessor entities' to mean [the contracting entity's] records and the records of its predecessor entities." For the reasons that follow, it is the opinion of this office that the answer is in the

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CHICAGO WORKS

affirmative. A search required for proper compliance with and disclosure under Section 2-92-585 must include all known records of the contracting entity and each of its predecessor entities, to which records the contracting entity has or can obtain access.

Neither the ordinance nor any Illinois decision defines a "predecessor" entity of a city contractor. Under the general rules of statutory construction, the word should be given its ordinary meaning. *Black's Law Dictionary* defines "predecessor" as "one who goes or has gone before; the correlative of 'successor'.....Applied to a body politic or corporate, in the same sense as 'ancestor' is applied to a natural person." This simple analogy indicates that every known antecedent entity of a city contractor – acquired entities, components of earlier mergers, entities acquired by and subsumed into a prior entity that became a predecessor of a contracting entity – should be treated as a predecessor. This is especially appropriate when one considers the preamble to the ordinance adding Section 2-92-385 to the Chicago Municipal Code. The fifth paragraph of the preamble (found at page 94891 of the Journal of Proceedings of the City Council of October 2, 2002) refers to records located in the archives of current insurance firms, documenting slave insurance policies "issued by a predecessor insurance firm; the sixth paragraph (*id.*) refers to "insurers and businesses whose successors remain in existence today." Thus the City Council recognized that, as the American economy has expanded and become more complex, modern business may include different business disciplines (insurers and other businesses).

The appropriate extent of the mandated records search can also be discerned from the preamble. The final paragraph of the preamble (p. 91892) contains a finding of the City Council that entities "doing business with the City of Chicago shall take *any and all steps in good faith* to disclose *any records within their possession or knowledge* relating to investments or profits from the slave industry including insurance policies...." (Emphasis supplied) In order to implement this statement of the Council's intent, a contracting entity may not ignore records that are archived outside the entity's possession (*e.g.* in a museum, university library, historical society or trade association). To ignore deliberately the existence of such known records could not possible constitute a "good faith" effort to take "any and all steps" to document the contractor's history. The breadth of the City Council's desired disclosure also led this department, in the revision of the EDS necessary to implement Section 2-92-585, to change the ordinance's disjunctive in the reference to "any and all records of the [contracting] company or its predecessors" to a conjunctive in the EDS ("any and all records of

the [contracting entity] and any and all predecessor entities").

Should you need additional assistance, please do not hesitate to contact me.

Very truly yours,

Mara S. Georges

MARA S. GEORGES
Corporation Counsel

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [x] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

U.S. Bank National Association
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Kacey Mahrt
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

AMANDA G MARTINEZ
Notary Public - Notary Seal
State of Missouri, Saint Louis City
Commission # 11209935
My Commission Expires Jul 5, 2015

Signed and sworn to before me on (date) December 22, 2014
at St. Louis City County, MO (state)

_____ Notary Public

Commission expires _____

AMANDA G MARTINEZ
Notary Public - Notary Seal
State of Missouri, Saint Louis City
Commission # 11209935
My Commission Expires Jul 5, 2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

U.S. Bancorp

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 800 Nicollet Mall
Minneapolis, MN 55402

C. Telephone: 314-335-2600 Fax: 314-335-2601 Email: kacey.mahrt@usbank.com

D. Name of contact person: Kacey Mahrt

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Construction of 78 units of affordable housing

G. Which City agency or department is requesting this EDS? Department of Planning and Development (DPD)

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. **For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?**

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If** there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Please see attached	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

U.S. Bancorp Organizational Structure

December 19, 2014

U.S. Bancorp Board of Directors
Davis, Richard K
Baker, Douglas M. Jr
Belton, Y Marc
Buyniski Gluckman, Victoria
Collins, Arthur D Jr
Harris, Kimberly J
Hernandez, Roland A
Johnson, Joel W.
Kirtley, Olivia F
Levin, Jerry W.
O'Maley, David B.
Owens, O'dell M.
Schnuck, Craig D.
Stokes, Patrick T.
Wine, Scott W.
Woo Ho, Doreen

U.S. Bancorp Executive Officers	Title
Davis, Richard K.	Chairman, President, and CEO
Cecere, Andrew	Chief Financial Officer and Vice Chairman
Carlson, Jennie P.	Executive Vice President
Chosy, James L.	Executive Vice President, General Counsel and Secretary
Gifford, Craig E.	Executive Vice President and Controller
Oldshue, Paul F.	Executive Vice President
Quinn, Katherine	Executive Vice President
Runkel, Mark G	Executive Vice President and Chief Credit Officer
Somers, Timothy W	Executive Vice President
Stern, John C	Executive Vice President and Treasurer
Dolan, Terrance R	Vice Chairman
Elmore, John R	Vice Chairman
Hoesley, Joseph C	Vice Chairman
Joseph, Pamela A	Vice Chairman
Parker, P W (Bill)	Vice Chairman and Chief Risk Officer
Payne, Richard B Jr	Vice Chairman
Stone, Kent V	Vice Chairman
von Gillern, Jeffry H	Vice Chairman

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment, common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code

7 If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2 If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

____1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

__X__2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:
The Disclosing Party was founded in 2001, after the slavery era ended, and therefore has no disclosure to make in this regard. The operating bank that the Disclosing Party holds, U.S. Bank National Association, has disclosed its slavery era business history on its EDS regarding this Matter.

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

U.S. Bancorp
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Laura F. Bednarski
(Print or type name of person signing)

Senior Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) January 13, 2015,
at Hennepin County, Minnesota (state).

_____ Notary Public.

Commission expires: _____.

LINDA E. COLLINS
NOTARY PUBLIC
MINNESOTA
My Commission Expires Jan. 31, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

PP Family, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. **[ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:** _____

B. Business address of the Disclosing Party: 6006 Dundee Rd, Suite 1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: DavidB@Brinshore.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): 47-2090003

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-Family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
PP Family Manager, LLC	Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
PP Family Manager, LLC	1616 Dundee Rd #1102, Northbrook, IL 60062	100%*

* 99.9% TO BE TRANSFERRED AT CLOSING TO U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION 1307 WASHINGTON AVENUE, SUITE 300, ST. LOUIS, MO 63103

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
See attached			

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

Name	Business Address	Relationship to Disclosing Party	Fees
McShane Construction Co. (retained)	9550 West Higgins Road #200, Rosemont, IL 60018	General Contractor	$20,092,379.00 (estimated)
Bank of America Merrill Lynch (anticipated)	231 South LaSalle Street Chicago, Illinois 60604	Lender	$750,850.00 (estimated)
PP Family, LLC (retained)	666 Dundee Road # 1102, Northbrook, IL 60062	Applicant	$1,948,570.00 (estimated)
Landon Bone Baker Architects (retained)	734 North Milwaukee Avenue, Chicago, IL 60642	Architect	$426,013.00 (estimated)
Applegate & Thorne-Thomsen, P.C. (retained)	626 West Jackson Boulevard # 400, Chicago, IL 60661	Attorney	$278,067.00 (estimated)
TERRA Engineering, Ltd. (retained)	225 W. Ohio Street, 4th Floor Chicago, IL 60654	Engineer	$18,000.00 (estimated)
Flood Testing Laboratories, Inc. (retained)	1945 East 87th Street, Chicago, IL 60617	Geotechnical Tester	$15,000.00 (paid)
Mesirow Financial (anticipated)	353 North Clark Street, Chicago, IL 60654	General Liability Insurer	$80,000.00 (estimated)
Pioneer Engineering and Environmental Services (retained)	700 North Sacramento Boulevard, Chicago, IL 60612	Environmental Development Tester	$9,000.00 (paid)
Kutak Rock (retained)	Charter One Bank, 1 South Wacker Drive, Chicago, IL 60606	Construction Lender Attorney	$53,000.00 (estimated)
Novogradic & Co., LLP (retained)	318 W. Adams Street Chicago, IL 60606	Consultant	$9,000.00 (estimated)
FLS Group, LLC (anticipated)	4709 Golf Road, Skokie, IL 60076	Accountant	$15,000.00 (estimated)
Gill Group (retained)	512 North 1 Mile Road, Dexter, MO 63841	Appraiser	$7,000.00 (paid)
Greater Illinois Title (retained)	6158 North Milwaukee Avenue, Chicago, IL 60646	Title Issuer	$30,000.00 (estimated)
Back of the Yards Neighborhood Council (retained)	1751 W 47th St, 2nd Floor, Chicago, IL 60609	Member of Ownership	$1,832,000.00 (estimated)
City of Chicago, Department of Planning and Development (anticipated)	121 North LaSalle Street # 1006, Chicago, Illinois 60602	Tax Credit Issuer	$160,000.00 (estimated)
Cook County Treasurer's Office (retained)	118 North Clark Street #112, Chicago, IL 60602	Tax Levying Body for Construction Period Property Taxes	$39,000.00 (estimated)
		Total:	$25,762,879.00

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold** for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). **Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. **List below the names of all persons or entities registered under the federal Lobbying** Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[X] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[ ] Yes [X] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[ ] Yes [X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[ ] Yes [X] No

If you checked "No" to question 1 or 2. above, please provide an explanation:

The applicant does not have any employees and is a single purpose entity.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

PP Family, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President, Brint Development, Inc.; Member, Brinshore Development, LLC; Member, Brinshore Holding, LLC; Member, PP Family Manager, LLC, Managing Member, PP Family, LLC
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14
at Cook County, IL (state)

Eva Frusti Notary Public.

Commission expires 8/5/18

EVA FRUSTI
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 05, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

PP Family Manager, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: Colele Dundee Rd, Suite 1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: DavidB@Brinshore.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): 37-1766879

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning and Development Multi-Family Funding for Park Place Development

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. **For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?**

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below** the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Bowlare Holding, LLC	Member
BYNC Manager, LLC - Series Park Place,	Member

2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brinshore Holding, LLC	1010 Dundee Rd #1102, Northbrook, IL 60062	85%
BXNC Development LLC - Series Park Place	1751 W 47th St., 2nd Floor, Chicago, IL 60609	15%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] **No person directly or indirectly owns 10% or more of the Disclosing Party.**

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency, and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but **have not been prosecuted for such conduct; or**

d. **violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).**

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of **engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.**

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). **As to any gift listed below, please also list the name of the City recipient.**

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold** for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, **"City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate **and complete as of the date furnished to the City.**

PP Family Manager, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President, Brint Development, Inc., Member, Brinshore Development, LLC, Member, Brinshore Holding, LLC, Member, PP Family Manager, LLC
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14,
at Cook County, IL (state)

Eva Frusti Notary Public

Commission expires: 8/5/18

EVA FRUSTI
OFFICIAL SEAL
Notary Public State of Illinois
My Commission Expires
August 05, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation, all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Brinshore Holding, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] **a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:** _____

B. Business address of the Disclosing Party: 6666 Dundee Rd, Ste 1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: David B@Brinshore.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): 36-4479500

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-Family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. **For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?**

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity.**
NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s)

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party
NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Bronshore Development, LLC	Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brinshore Development, LLC	1660 Dundee Rd., #1102, Northbrook, IL, 60062	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] **No person directly or indirectly owns 10% or more of the Disclosing Party.**

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency, and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly, controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation, interlocking management or ownership, identity of interests among family members, shared facilities and equipment, common use of employees, or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively,** "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power **does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter. (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Brinshore Holding, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President, Brint Development, Inc.; Member, Brinshore Development; Member, Brinshore Holding, LLC
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14
at Cook County, IL (state)

Eva Frusti Notary Public

Commission expires: 8/5/18

EVA FRUSTI
OFFICIAL SEAL
Notary Public State of Illinois
My Commission Expires
August 05, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Brinshore Development, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] **a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:** _____

B. Business address of the Disclosing Party: Colee Dundee Rd, # 1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: DavidB@Brinshore.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): 36-4038750

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. **For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?**

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity.** **NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If** there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
RJS Real Estate Services, Inc.	Member
Brint Development, Inc.	Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
RJS Real Estate Services, Inc.	c/o 66 Dundee Rd. #1102, Northbrook, IL	50%
Brint Development, Inc.	c/o Dundee Rd #1102, Northbrook, IL 60062	50%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] **No person directly or indirectly owns 10% or more of the Disclosing Party.**

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6 The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively,** "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power **does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Brinshore Development, LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President, Brint Development, INC.;
Member, Brinshore Development, LLC
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14
at Cook County, IL (state).

Eva Frusti Notary Public.

Commission expires: 8/5/18

EVA FRUSTI
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 05 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Brint Development, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1661 Dundee Rd. #1102
Northbrook, IL 60062

C. Telephone: 224-927-5052 Fax: 847-562-9401 Email: David B@Hinshere.com

D. Name of contact person: David Brint

E. Federal Employer Identification No. (if you have one): 36-3935452

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
David Brint	President / Owner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
David Brint,	1111 Dundee Rd #1102, Northbrook, IL 60062,	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges.

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold** for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). **Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. **List below the names of all persons or entities registered under the federal Lobbying** Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter. (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986, or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Brint Development, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

David Brint
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) 12/16/14,
at Cook County, IL (state)

Eva Frusti Notary Public

Commission expires: 8/5/18

EVA FRUSTI
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
August 05, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable

RJS Real Estate Services, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1060 Dundee Rd. #1102
Northbrook, IL 60062

C. Telephone: 224-927-5053 Fax: 847-562-9401 Email: RichS@Brinshore.com

D. Name of contact person: Richard Sciortino

E. Federal Employer Identification No. (if you have one): 36-3937375

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following.

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Richard Sciortino	Member/Owner

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Richard Sciortino,	1616 Dundee Rd #1102, Northbrook, IL 60062,	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. **have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any** state, or any other unit of local government.

3. **The certifications in subparts 3, 4 and 5 concern:**

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties"),
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8 To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges.

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold** for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, **"City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City **and proceeds of debt obligations of the City are not federal funding.**

A. CERTIFICATION REGARDING LOBBYING

1. **List below the names of all persons or entities registered under the federal Lobbying** Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary).

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate **and complete as of the date furnished to the City.**

RJS Real Estate services, Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Richard Sciortino
(Print or type name of person signing)

President
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec. 22nd, 2014
at Cook County, Illinois (state).

Peter Ilevai Notary Public.

Commission expires: 10/15/2018

OFFICIAL SEAL
PETER ILEVAI
Notary Public - State of Illinois
My Commission Expires 10/15/2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected, (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BYNC Development LLC - Series Park Place

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1751 W 47th St
Chicago, IL 60609

C. Telephone: 773-523-4416 Fax: 773 254 3525 Email: CCHICO@BYNC.ORG

D. Name of contact person: CRAIG CHICO

E. Federal Employer Identification No. (if you have one): 36 207 9600

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-Family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).**

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name SOLE MEMBER - Title Back of the Yards Neighborhood Council

Phil Fuentes - Chairman of the Board
Craig Chico - President & CEO
Patricia Doherty Wildner - Treasurer
Board Members: Rick Cuevas, Dan Arce, Kim McCullough, Cesar Dovalina

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
BACK OF THE YARDS NEIGHBORHOODS COUNCIL	1751 W 47TH ST CHICAGO IL	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[✓] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [✓] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. **have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.**

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is **[X] is not**

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2 If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary)

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [✓] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power** does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [✓] No

3. **If you checked "Yes" to Item D.1., provide the names and business addresses of the City** officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__✓__1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [✓] No

If "Yes," answer the three questions below:

1. **Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)**
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at **law for a false statement of material fact may include incarceration and an award to the City of treble damages.**

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BYNC DEVELOPMENT LLC - SERIES PARK PLACE

(Print or type name of Disclosing Party)

By: Craig Chico

(Sign here)

CRAIG CHICO

(Print or type name of person signing)

PRESIDENT

(Print or type title of person signing)

Signed and sworn to before me on (date) December 19th, 2014,
at Cook County, Illinois (state).

Notary Public.

Commission expires: 07-15-2014.

OFFICIAL SEAL
MARIA G NEVAREZ
Notary Public - State of Illinois
My Commission Expires Jul 15, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [✓] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Back of the Yards Neighborhood Council

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] **a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control:** _____

B. Business address of the Disclosing Party: 1751 W. 47th St 2nd FL
Chicago, IL. 60609

C. Telephone: 773 523 4416 **Fax:** 773 254 3525 **Email:** CCHICO@BYNC.ORG

D. Name of contact person: CRAIG CHICO

E. Federal Employer Identification No. (if you have one): 36 207 9600

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): Approval of Low-Income Housing Tax Credits, State Donation Tax Credits, and Department of Planning & Development Multi-Family Funding for Park Place Development.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[✓] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[✓] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity.
NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.
NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Phil Fuentes - Chairman of the Board	Rick Gentile - Board Member
Craig Chico - Presidents and CEO	Kimberly McCullough Board Member
Patricia Doherty Wildner Treasure	Cesar Davalna - Board Member
Dan Acre - Board Member	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[✓] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [✓] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. **have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.**

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. **The Disclosing Party certifies that the Disclosing Party (check one)**

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [✓] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [✓] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records.

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed **subcontractors to submit the following information with their bids or in writing at the outset of negotiations.**

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at **law for a false statement of material fact may include incarceration and an award to the City of treble damages.**

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

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The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BACK OF THE YARDS NEIGHBORHOOD COUNCIL

(Print or type name of Disclosing Party)

By: Craig Chico

(Sign here)

CRAIG CHICO

(Print or type name of person signing)

PRESIDENT

(Print or type title of person signing)

Signed and sworn to before me on (date) December 19, 2016

at Cook County, Illinois (state).

Notary Public.

Commission expires: 07-15-2017.

OFFICIAL SEAL
MARIA G NEVAREZ
Notary Public - State of Illinois
My Commission Expires Jul 15, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [✓] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

U.S. Bancorp Community Development Corporation

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC (expected to hold 99.99% interest at closing)
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1307 Washington Avenue, Suite 300
St. Louis, MO 63103

C. Telephone: 314-335-2600 Fax: 314-335-2601 Email: kacey.mahrt@usbank.com

D. Name of contact person: Kacey Mahrt

E. Federal Employer Identification No. (if you have one): 41-1917892

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Construction of 78 units of affordable housing

G. Which City agency or department is requesting this EDS? Department of Planning and Development (DPD)

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Minnesota corporation

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s)

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Zachary Boyers, Chairman and Chief Executive Officer	
Elizabeth Stohr, President	
Kristy Carstensen, Chief Financial Officer	
Kristen Switzer, Head of Asset Management	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
U.S. Bank National Association	800 Nicollet Mall, Minneapolis, MN 55402	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary)

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest.

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

U.S. Bancorp Community Development Corporation
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Kacey Mahrt
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) December 22, 2014,
at St. Louis City County, Mo (state).

_____ Notary Public.

Commission expires _____

AMANDA G MARTINEZ
Notary Public - Notary Seal
State of Missouri, Saint Louis City
Commission # 11209935
My Commission Expires Jul 5, 2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected, (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

U.S. Bank National Association

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 800 Nicollet Mall
Minneapolis, MN 55402

C. Telephone: 314-335-2600 Fax: 314-335-2601 Email: kacey.mahrt@usbank.com

D. Name of contact person: Kacey Mahrt

E. Federal Employer Identification No. (if you have one): 31-0841368

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Construction of 78 units of affordable housing

G. Which City agency or department is requesting this EDS? Department of Planning and Development (DPD)

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[X] Other (please specify)
National banking association

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

United States

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

* U.S. Bank National Association operates branches in the state of Illinois under the authority of its natioanl bank charter and is therefore not required to register as a foreign corporation with the state.

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Please see attached	

2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

U.S. Bank National Association Organizational Structure

December 19, 2014

U.S. Bank National Association Board of Directors
Carlson, Jennie P.
Cecere, Andrew
Chosy, James L
Collins, Arthur D Jr
Davis, Richard K.
Dolan, Terrance R.
Elmore, John R.
Hoesley, Joseph C.
Joseph, Pamela A.
Parker, P W. (Bill)
Payne, Richard B. Jr.
Runkel, Mark G.
Schnuck, Craig D.
Stone, Kent V.
von Gillern, Jeffry H.

U.S. Bank National Association Executive Officers	Title
Davis, Richard K.	Chairman, President and Chief Executive Officer
Carlson, Jennie P.	Executive Vice President
Chosy, James L.	Executive Vice President, General Counsel and Secretary
Runkel, Mark G.	Executive Vice President and Chief Credit Officer
Cecere, Andrew	Vice Chairman and Chief Financial Officer
Dolan, Terrance R	Vice Chairman
Elmore, John R	Vice Chairman, Community Banking and Branch Delivery
Hoesley, Joseph C	Vice Chairman
Joseph Pamela A	Vice Chairman
Parker, P W (Bill)	Vice Chairman and Chief Risk Officer
Payne, Richard B Jr	Vice Chairman
Stone, Kent V	Vice Chairman, Consumer Banking Sales and Support
von Gillern, Jeffry H	Vice Chairman

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
U.S. Bancorp	800 Nicollet Mall, Minneapolis, MN 55402	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency, and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees, or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity.
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

Please see Attachment B in response to Section V-B-2(e). Disclosing Party asserts no other exceptions to the certification

Attachment B

City of Chicago
Economic Disclosure Statement and Affidavit

Statement Regarding Further Certifications

U.S. Bank National Association itself is a mortgage lender. U.S. Bank National Association is also one of the largest corporate trustees in the United States and in such capacity is trustee of numerous mortgage-backed securitization trusts that each hold multiple real property mortgages. From time to time, mortgage borrowers in Chicago default on payment of real estate taxes or otherwise fail to comply with City of Chicago's requirements with respect to certain mortgaged properties. This can result in legal action against the borrower by the City of Chicago, which legal action may name U.S. Bank National Association as the mortgage holder (either in its individual capacity or in its capacity as a trustee). As of December 22, 2014, U.S. Bank National Association was aware of outstanding claims against it (individually or in its capacity as trustee) totaling $154,040.89 wherein the City of Chicago or one of its departments or divisions (including the Department of Buildings and the Department of Streets and Sanitation) is the creditor. The vast majority of this amount is related to properties that U.S. Bank National Association holds in trust and for which it does not do the servicing. U.S. Bank National Association, both in its individual capacity and in its capacity as a trustee meets periodically with various City officials to address these claims.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[X] is [ ] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

____1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

_X_2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:
Please see Attachment A and the related letter dated April 29, 2004.

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

Attachment A

City of Chicago
Economic Disclosure Statement and Affidavit

Statement Regarding Slavery Era Business

U.S. Bank National Association was formed from the following major banks: (1) Star Bank, National Association (Cincinnati, Ohio) changed its name to Firstar Bank, National Association (Cincinnati, Ohio) effective February 1999; (2) Mercantile Bank National Association (St. Louis, Missouri) merged into Firstar Bank, National Association (Cincinnati, Ohio) effective April 2000; (3) United States National Bank of Oregon (Portland, Oregon) merged with First Bank, National Association under the title U.S. Bank National Association effective August 1997; (4) U.S. Bank National Association merged into Firstar Bank, National Association, and the succeeding bank, changed its name to U.S. Bank National Association effective August 2001. These banks acquired through mergers and acquisitions numerous smaller banks. There are five hundred and forty-two U.S. Bank National Association predecessors. Thirty-five predecessors were founded before the abolition of slavery in December 1865. Thirteen of the pre-1866 predecessors were established in southern slave-holding states and territories, including Kansas, Kentucky, Missouri, and Tennessee.

In reviewing historical records held in various external repositories in accordance with the research requirements as set forth in the City of Chicago Office of the Corporation Counsel opinion letter dated April 29, 2004 (attached hereto), U.S. Bank National Association has identified external records of its predecessors which necessitate disclosure. The conveyance records, while showing no record of direct ownership of enslaved individuals did contain records of founders and/or directors of predecessor banks owning enslaved individuals, as well as a record where an enslaved individual was the collateral for a loan. Specifically, the first president of predecessor Marion National Bank of Lebanon, Kentucky (founded in 1856), Benedict Spalding, owned two enslaved individuals in 1850. In 1860 someone with a similar name "Benidict Spalding" is also listed as having owned fourteen enslaved individuals. In addition, certain members of the Marion National Bank of Lebanon's board of directors (called "commissioners") owned approximately forty-seven enslaved individuals in total (the records include abbreviated names, which we conclude may be references to commissioners). The first president of predecessor First National Bank of Clarksville, Tennessee (founded in 1865), S F. Beaumont, owned one enslaved individual in 1860. The first president of predecessor St. Louis Building and Savings Association, Missouri (formed in 1857), Marshall Brotherton, owned ten enslaved individuals in 1850 and four enslaved individuals in 1860. Merchants Bank (founded in 1857) and Bank of St. Louis (founded in 1857), both predecessors, along with a group of other St. Louis firms, issued a mortgage to Charles McLaran that was secured by his property, which included an unspecified number of enslaved individuals. However, the 1860 Federal Census Slave Schedule for St Louis provided that Charles McLaran owned thirteen enslaved individuals.

The above is only a summary. U.S. Bank National Association has previously provided the City of Chicago with supporting attachments.

U.S. Bancorp, the parent company of U.S. Bank National Association, was founded after the slavery era and has no separate assets or activities that pre-date the 20th century. As such, it has no disclosure separate from that of the bank.

City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-6900
(312) 744-8538 (FAX)
(312) 744-2963 (TTY)

http://www.ci.chi.il.us

April 29, 2004

Hon. Edward M. Burke
Chairman, City Council Committee on Finance
City Hall, Room 302
121 North La Salle Street
Chicago Illinois 60602

Re: Question regarding Economic Disclosure Statement and Affidavit, Part VI ("Certification Regarding Slavery Era Business") and Resolution pending before the Joint Committee on Finance and Human Relations

Dear Alderman Burke:

In a letter dated April 26, 2004, you indicated that a special committee of the City Council, consisting of the combined Committee on Finance and the Committee on Human Relations, currently has under consideration a resolution that raises certain issues regarding interpretation of Section 2-92-585 of the Chicago Municipal Code, the Business, Corporate and Slavery Era Insurance Ordinance. That ordinance requires every city contractor to "complete an affidavit verifying that the contractor has searched any and all records of the company *or any* predecessor company regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era. The names of any slaves or slaveholders described in those records must be disclosed in the affidavit." (Emphasis supplied)

The affidavit requirement of Section 2-92-585 has been incorporated into the standard Economic Disclosure Statement ("EDS") completed by city contractors as Part VI, entitled "Slavery Certification." The EDS requires an entity contracting with the city to verify that it has "searched any and all records of the Undersigned *and any and all* predecessor entities for records of investments or profits from slavery, the slave industry, or shareholder insurance policies." (Emphasis supplied) The EDS form then requires the contracting entity to disclose the results of that search.

You have asked specifically whether it is "reasonable to interpret the language 'records of the undersigned and any and all predecessor entities' to mean [the contracting entity's] records and the records of its predecessor entities." For the reasons that follow, it is the opinion of this office that the answer is in the

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affirmative. A search required for proper compliance with and disclosure under Section 2-92-585 must include all known records of the contracting entity and each of its predecessor entities, to which records the contracting entity has or can obtain access.

Neither the ordinance nor any Illinois decision defines a "predecessor" entity of a city contractor. Under the general rules of statutory construction, the word should be given its ordinary meaning. *Black's Law Dictionary* defines "predecessor" as "one who goes or has gone before; the correlative of 'successor'.....Applied to a body politic or corporate, in the same sense as 'ancestor' is applied to a natural person." This simple analogy indicates that every known antecedent entity of a city contractor – acquired entities, components of earlier mergers, entities acquired by and subsumed into a prior entity that became a predecessor of a contracting entity – should be treated as a predecessor. This is especially appropriate when one considers the preamble to the ordinance adding Section 2-92-385 to the Chicago Municipal Code. The fifth paragraph of the preamble (found at page 94891 of the Journal of Proceedings of the City Council of October 2, 2002) refers to records located in the archives of current insurance firms, documenting slave insurance policies "issued by a predecessor insurance firm; the sixth paragraph (*id.*) refers to "insurers and businesses whose successors remain in existence today." Thus the City Council recognized that, as the American economy has expanded and become more complex, modern business may include different business disciplines (insurers and other businesses).

The appropriate extent of the mandated records search can also be discerned from the preamble. The final paragraph of the preamble (p. 91892) contains a finding of the City Council that entities "doing business with the City of Chicago shall take *any and all steps in good faith* to disclose *any records within their possession or knowledge* relating to investments or profits from the slave industry including insurance policies...." (Emphasis supplied) In order to implement this statement of the Council's intent, a contracting entity may not ignore records that are archived outside the entity's possession (*e.g.* in a museum, university library, historical society or trade association). To ignore deliberately the existence of such known records could not possible constitute a "good faith" effort to take "any and all steps" to document the contractor's history. The breadth of the City Council's desired disclosure also led this department, in the revision of the EDS necessary to implement Section 2-92-585, to change the ordinance's disjunctive in the reference to "any and all records of the [contracting] company or its predecessors" to a conjunctive in the EDS ("any and all records of

the [contracting entity] and any and all predecessor entities").

Should you need additional assistance, please do not hesitate to contact me.

Very truly yours,

Mara S. Georges

MARA S. GEORGES
Corporation Counsel

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

U.S. Bank National Association
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Kacey Mahrt
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

AMANDA G MARTINEZ
Notary Public - Notary Seal
State of Missouri, Saint Louis City
Commission # 11209935
My Commission Expires Jul 5, 2015

Signed and sworn to before me on (date) December 22, 2014
at St. Louis City County, MO (state)

_____ Notary Public

Commission expires _____.

AMANDA G MARTINEZ
Notary Public - Notary Seal
State of Missouri, Saint Louis City
Commission # 11209935
My Commission Expires Jul 5, 2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

U.S. Bancorp

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: PP Family, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 800 Nicollet Mall
Minneapolis, MN 55402

C. Telephone: 314-335-2600 Fax: 314-335-2601 Email: kacey.mahrt@usbank.com

D. Name of contact person: Kacey Mahrt

E. Federal Employer Identification No. (if you have one): 41-0255900

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Construction of 78 units of affordable housing

G. Which City agency or department is requesting this EDS? Department of Planning and Development (DPD)

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Delaware

3. **For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?**

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. **List below the full names and titles of all executive officers and all directors of the entity.** **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Please see attached	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

U.S. Bancorp Organizational Structure

December 19, 2014

U.S. Bancorp Board of Directors
Davis, Richard K
Baker, Douglas M Jr.
Belton, Y Marc
Buyniski Gluckman, Victoria
Collins, Arthur D Jr
Harris, Kimberly J
Hernandez, Roland A
Johnson, Joel W
Kirtley, Olivia F.
Levin, Jerry W.
O'Maley, David B.
Owens, O'dell M.
Schnuck, Craig D.
Stokes, Patrick T.
Wine, Scott W.
Woo Ho, Doreen

U.S. Bancorp Executive Officers	Title
Davis, Richard K.	Chairman, President, and CEO
Cecere, Andrew	Chief Financial Officer and Vice Chairman
Carlson, Jennie P.	Executive Vice President
Chosy, James L.	Executive Vice President, General Counsel and Secretary
Gifford, Craig E.	Executive Vice President and Controller
Oldshue, Paul F.	Executive Vice President
Quinn, Katherine	Executive Vice President
Runkel, Mark G	Executive Vice President and Chief Credit Officer
Somers, Timothy W	Executive Vice President
Stern, John C	Executive Vice President and Treasurer
Doran, Terrance R	Vice Chairman
Elmore, John R	Vice Chairman
Hoesley, Joseph C	Vice Chairman
Joseph, Pamela A	Vice Chairman
Parker, P W (Bill)	Vice Chairman and Chief Risk Officer
Payne, Richard B Jr.	Vice Chairman
Stone, Kent V	Vice Chairman
von Gillern, Jeffry H	Vice Chairman

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

_____

_____

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code

7 If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2 If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary)

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. **Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.**

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

____ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

_X_ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:
The Disclosing Party was founded in 2001, after the slavery era ended, and therefore has no disclosure to make in this regard. The operating bank that the Disclosing Party holds, U.S. Bank National Association, has disclosed its slavery era business history on its EDS regarding this Matter.

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

U.S. Bancorp
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Laura F. Bednarski
(Print or type name of person signing)

Senior Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) January 13, 2015,
at Hennepin County, Minnesota (state).

_____ Notary Public.

Commission expires: _____.

LINDA E. COLLINS
NOTARY PUBLIC
MINNESOTA
My Commission Expires Jan. 31, 2017

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No * To the best of our knowledge, after due inquiry

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

City of Chicago

O2015-751

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Redevelopment agreement with Maple Park Marketplace designating Preferred-Halsted, LLC as developer of project
Committee(s) Assignment:	Committee on Finance

FIN.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

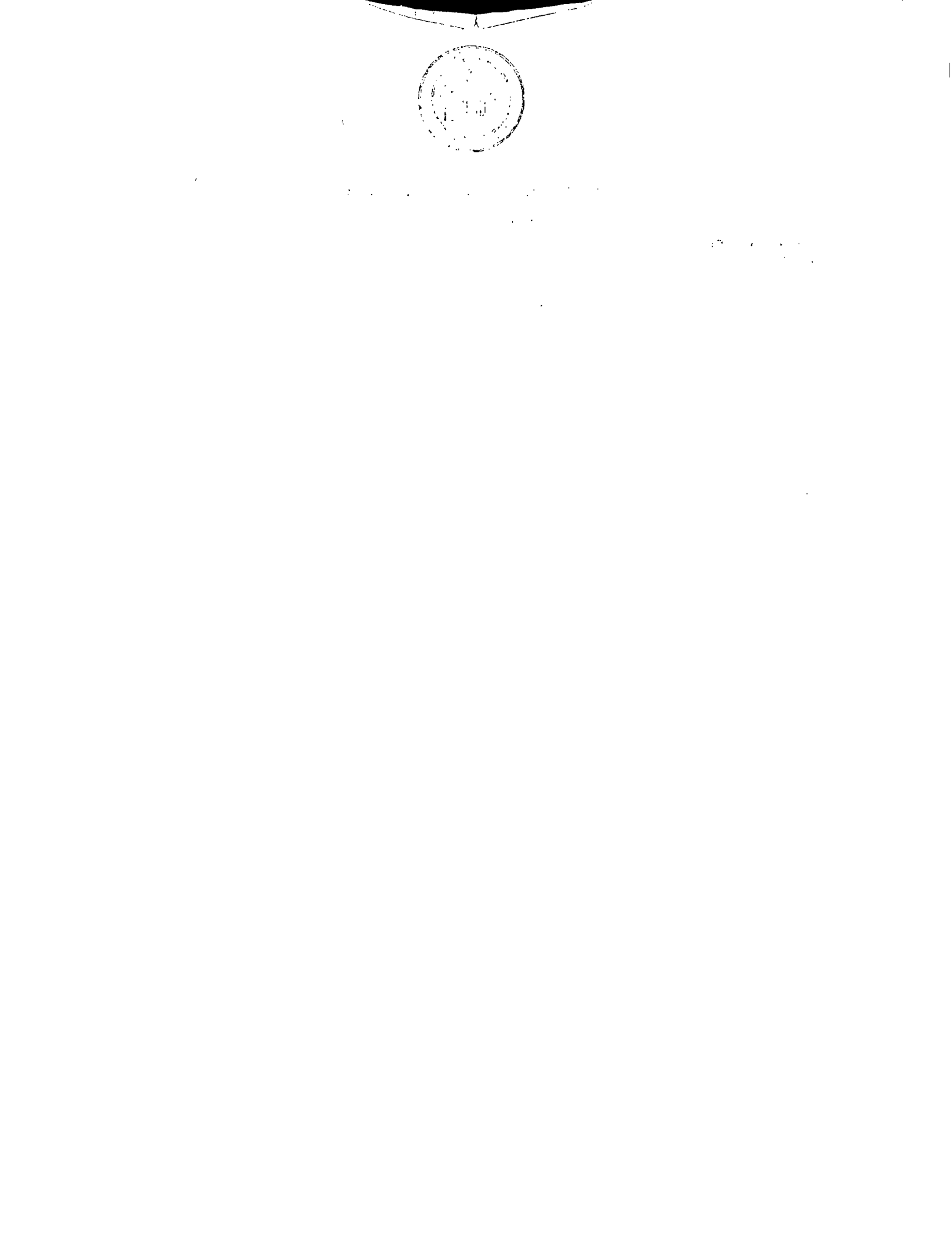
At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a Redevelopment Agreement with Maple Park Marketplace.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor



AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS
DESIGNATING
PREFERRED-HALSTED, LLC
AS DEVELOPER
AND
AUTHORIZING A REDEVELOPMENT AGREEMENT

WHEREAS, pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on February 6, 2002 and published at pages 78512 to 78637 of the Journal of the Proceedings of the City Council (the "Journal") of such date, a certain redevelopment plan and project (the "119th and Halsted Plan and Project") for the 119th and Halsted Redevelopment Project Area (the "119th and Halsted Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on February 6, 2002 and published at pages 78638 to 78648 of the Journal of such date, the 119th and Halsted Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance adopted by the City Council on February 6, 2002 (the "119th and Halsted TIF Ordinance") and published at pages 78649 to 78658 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs, as defined in the Act, incurred pursuant to the 119th and Halsted Plan and Project; and

WHEREAS, Preferred-Halsted, LLC, an Illinois limited liability company (the "Company"), acquired real property located within the 119th and Halsted Area commonly known as 833-901 West 115th Street, Chicago, Illinois 60643 (the "Site") to commence and complete construction on the Site of an approximately 59,611 square foot retail shopping center anchored by a 16,101 square foot Aldi grocery store and a 14,820 square foot Walgreen's pharmacy and also containing ten additional retail tenants in a total of 28,690 square feet of space (the "Project"); and

WHEREAS, the Company has proposed to undertake the Project in accordance with the 119th and Halsted Plan and Project and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Company and the City; and

WHEREAS, pursuant to Resolution 06-CDC-103 adopted by the Community Development Commission of the City of Chicago (the "Commission") on November 14, 2006, the Commission has recommended that the Company be designated as the developer for the Project and that the City's Department of Planning and Development ("DPD") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company for the Project, and

WHEREAS, pursuant to an ordinance adopted by the City Council on January 9, 2008 and published at pages 18241 to 18333 of the Journal of such date (the "Original RDA Ordinance"), the City Council authorized DPD to negotiate, execute and deliver on behalf of the City a

redevelopment agreement with the Company and to issue a taxable note to the Company for financing of the Project; and

WHEREAS, since adoption of the Original RDA Ordinance, significant changes were made to the scope, budget, timing and financing of the Project that resulted in the need for material changes to the redevelopment agreement authorized by the Original RDA Ordinance and a repeal of the authority to issue the taxable note; and

WHEREAS, DPD seeks authorization from the City Council to negotiate, execute and deliver on behalf of the City another redevelopment agreement reflecting the significant changes to the Project; ***now, therefore,***

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Original RDA Ordinance is hereby repealed in its entirety.

SECTION 3. The Company is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 4. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Company and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 5. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 6. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibit A to the Ordinance

Form of Redevelopment Agreement

[see attached]

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

MAPLE PARK MARKETPLACE REDEVELOPMENT AGREEMENT

This Maple Park Marketplace Redevelopment Agreement (this "Agreement") is made as of this ____ day of _____, 2015, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Preferred-Halsted, LLC, an Illinois limited liability company (the "Developer").

RECITALS

A Constitutional Authority: As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects

C City Council Authority To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on February 6, 2002 (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 119th and Halsted Redevelopment Project Area" (the "Plan Adoption Ordinance"), (2) "An Ordinance of the City of Chicago, Illinois Designating the 119th and Halsted Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act", and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for 119th

and Halsted Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: Developer has purchased (the "Acquisition") certain property located within the Redevelopment Area at 833-901 West 115th Street, Chicago, Illinois 60643 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction of an approximately 59,611 square foot retail shopping center (the "Facility") thereon anchored by a Walgreens and ALDI grocery store (the "Anchor Stores") and at least four junior anchors located in in-line retail spaces.

The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

The Project shall be completed in accordance with the Plans and Specifications, copies of which have been provided to DPD and which are a part of the Construction Contract. The Project has been processed as a Planned Development (#1016).

Previously, the seven-acre Property was improved with a vacant warehouse, a vacant bowling alley, and two storefronts along Halsted Street. The Project will be anchored by a 16,101 square foot Aldi grocery store and a 14,820 square foot Walgreen's pharmacy and also contain ten additional retail tenants in a total of 28,690 square feet of space. The Developer has signed letters of intent with Ashley Stewart, Fashion Sense, Simply Fashions and Downtown Locker Room and is negotiating with other potential tenants, including restaurant tenants. The Walgreen's was completed, opened and sold in November 2005. The Developer has agreed to sell the underlying parcel in the form of a buildable pad for the Aldi store to Aldi, with all subsequent construction of the building to be undertaken by Aldi. Two out lots on the Property will be available for future development.

The construction will include masonry buildings (on all sides) in two tones of face brick by Interstate brick The bronze stone and copper stone colors of the face brick will be accented by rock face Savanna Stone by Harvey Cement. Decorative medallions will accent the front of the building. Red standing seam awnings will cover all storefronts. The Project will also include a 221 space parking lot and landscaping The Project will include a green roof, in accordance with Section 8 23 below

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago 119th and Halsted Redevelopment Project Area Redevelopment Plan and Project (the "Redevelopment Plan") included in the Plan Adoption Ordinance published at pages 78512 - 78637 of the Journal of the Proceedings of the City Council, as amended

F City Financing. The City agrees to use, in the amounts set forth in Section 4 03 hereof Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

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

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

SECTION 2. DEFINITIONS

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

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

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

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

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the RDA during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d)

certifying that Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (Section 8.06); (2) delivery of Financial Statements and unaudited financial statements (Section 8.13); (3) delivery of updated insurance certificates, if applicable (Section 8.14), (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); and (5) compliance with all other executory provisions of the RDA.

"Available Incremental Taxes" shall mean an amount equal to ninety percent (90%) of the Incremental Taxes deposited in the TIF Fund attributable to the taxes levied on the Property for tax accrual years 2013-2020.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

"Average Minimum Occupancy" shall have the meaning as set forth in Section 8.06 hereof.

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

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"City Contract" shall have the meaning set forth in Section 8.01(l) hereof.

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall mean the funds described in Section 4.03 hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Compliance Period" shall have the meaning as set forth in Section 8.06 hereof.

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

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

"Construction Contract" shall mean that certain contract entered into between Developer and Ledcor Construction, Inc dated as of October __, 2006, and providing for construction of the Project, as such contract has been amended or supplemented.

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

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

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

"Employment Plan" shall have the meaning set forth in Section 5.12 hereof.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

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

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

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

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

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

"General Contractor" shall mean the general contractor(s) hired by Developer pursuant to Section 6.01.

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

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

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

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74 4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof

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

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

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

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

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

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

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

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

"Occupancy Report" shall have the meaning as set forth in Section 8.06 hereof.

"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit D hereto.

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

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

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

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

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

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

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74 4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan

"Reimbursement Event" shall mean an act or omission of by the Developer or its Affiliate resulting in an Event of Default relating to: (i) a material misrepresentation to the City related to the Project that the City relied upon (as reasonably determined by the City) in its decision to provide City Funds for the Project or to pay any such City Funds to the Developer; (ii) a fraudulent act or omission related to the Project; (iii) a misappropriation of funds from the uses set forth in the Project Budget resulting in the receipt by the Developer or its Affiliates of additional fees, commissions or compensation not disclosed in such Project Budget or otherwise approved in writing by DPD; (iv) any intentional or material waste to the Project improvements or any portion thereof; (v) any unapproved use of City Funds for payment or reimbursement of amounts other than costs of the TIF-Funded Improvements; (vi) a breach of the transfer and assignment restrictions contained in this Agreement; (vii) any material breach of the representations, warranties or covenants regarding environmental matters contained in this Agreement, as applicable; (viii) the occurrence of any material uninsured casualty event to any portion of the Project improvements unless the portion of the improvements damaged by such event is restored within a reasonable period of time; (ix) material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Project; (x) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer or its Affiliates; (xi) any receipt of City Funds after the occurrence of an Event of Default, or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of such City Funds under this Agreement.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit H, to be delivered by Developer to DPD pursuant to Section 4.04 of this Agreement.

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

"Subordination Agreement" shall mean a subordination agreement substantially in the form attached hereto as Exhibit I, to be executed and recorded pursuant to Sections 5.04 and 8.18.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2011, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of (a) December 31, 2022 or (b) the date on which the Redevelopment Area is no longer in effect.

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

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

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the

City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean [_____].

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and the Subordination Agreement, if any, issued by the Title Company.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Project, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.16 hereof: (i) commence construction no later than November 1, 2007; and (ii) complete construction and conduct business operations therein no later than November 30, 2008.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project

3 03 Project Budget Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than Eleven Million One Hundred Six Thousand One Hundred Ninety-Five Dollars and Seventy-Four Cents ($11,106,195.74). Developer hereby certifies to the City that (a) the Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3 04 hereof

3 04 Change Orders Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Rehabilitation Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval (a) a reduction in the gross or net square footage of the Facility by five percent (5%) or more (either

individually or cumulatively); (b) a change in the use of the Facility to a use other than as described in Recital D to this Agreement; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

3.05 DPD Approval. Any approval granted by DPD of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

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

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3 04) Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3 08 Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder.

3 09 Barricades Prior to commencing any construction requiring barricades, Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades

3 10 Signs and Public Relations Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has

been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be $11,106,195.74, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.03(b) and 4.06)	$2,000,000.74
Lender Financing	$521,195
Anchor Sales	$8,585,000
ESTIMATED TOTAL	$11,106,195.74

4.02 Developer Funds. Equity, Lender Financing and/or proceeds from the sales of the Anchor Stores shall be used to pay all Project costs, including but not limited to Redevelopment Project costs and costs of TIF-Funded Improvements.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be paid to Developer hereunder prior to the issuance of a Certificate

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

Source of City Funds	Maximum Amount
Available Incremental Taxes	$1,965,796 65

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of One Million Nine Hundred Sixty-Five Thousand Seven Hundred Ninety-Six Dollars and Sixty-Five Cents ($1,965,796 65) or 17.7% of the actual total

Project costs; and provided further, that the $1,965,796.65 to be derived from Available Incremental Taxes, if any shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

(i) The amount of the Available Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Available Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of $1,965,796.65 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above.

(c) Subject to the terms and conditions of this Agreement, and after the delivery of each Requisition Form required by Section 4.04, payments shall be made in eight (8) installments (each an "Installment") to the Developer. The first Installment shall be made after the issuance of the initial Certificate and the additional seven (7) Installments shall be made annually thereafter following Developer's submission of a Requisition Form and an Annual Compliance Report in accordance with Sections 8.06 and 8.21. Each Installment shall be in an amount (with no more than one Installment paid to the Developer per calendar year) which is the lesser of (i) $245,724.59 or (ii) 17.7% of the actual total Project costs divided by eight (8). Each Installment shall be paid only from the Available Incremental Taxes deposited in the TIF Fund during the previous calendar year, as follows:

Installment	Increment for Payment
Installment 1 (2015)	Increment from taxable year 2013 collected in 2014
Installment 2 (2016)	Increment from taxable year 2014 collected in 2015
Installment 3 (2017)	Increment from taxable year 2015 collected in 2016
Installment 4 (2018)	Increment from taxable year 2016 collected in 2017
Installment 5 (2019)	Increment from taxable year 2017 collected in 2018
Installment 6 (2020)	Increment from taxable year 2018 collected in 2019
Installment 7 (2021)	Increment from taxable year 2019 collected in 2020
Installment 8 (2022)	Increment from taxable year 2020 collected in 2021

If in any year the amount of Available Incremental Taxes collected is greater than the amount of the Installment to be paid the Developer pursuant to this Section 4.03(c), the surplus amount shall not be available to use for any past or future shortfalls of payments. If in any year the amount of Available Incremental Taxes collected is less than the amount of the Installment to be paid the Developer pursuant to this Section 4.03(c), then only the amount collected shall be paid and the Developer shall not be entitled to payment in future years for the shortfall.

4.04 Requisition Form Within thirty (30) days after the issuance of the Certificate and prior to each January 30 (or such other date as the parties may agree to) thereafter, continuing throughout the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer e-mail DPD a Requisition Form, along with the documentation described therein, at the following address TIFMonitoringCompliance@cityofchicago.org Requisition for reimbursement of TIF-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted

by DPD). Within thirty (30 days after the delivery of any Requisition Form, Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Treatment of Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit F hereto sets forth the prior expenditures approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer.

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

4.07 Preconditions of Disbursement. Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

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

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

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

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

(g) the Project is In Balance The Project shall be deemed to be in balance ("In Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds, (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will

place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

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

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided for in this Agreement.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

5.03 Other Governmental Approvals. Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD.

5.04 Financing Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to the Subordination Agreement executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, with the Office of the Recorder of Deeds of Cook County

5.05 Acquisition and Title On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Developer as the named insured The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit D hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8 18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3 1 with parking), contiguity, location, access and survey Developer has provided to DPD, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements

and encumbrances of record with respect to the Property not addressed, to DPD's satisfaction, by the Title Policy and any endorsements thereto.

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

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

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

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

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

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

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

5.12 Documentation, Employment Plan. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters in connection with the construction or rehabilitation work on the Project, including the reports described in Section 8.07. At least thirty (30) days prior to the Closing Date, the Developer has met with the Workforce Solutions division of DPD to review employment opportunities with the Developer after construction or rehabilitation work on the Project is completed. On or before the Closing Date, Developer has provided to DPD, and DPD has approved, the Employment Plan for the Project (the "Employment Plan") The Employment Plan includes, without limitation, the Developer's estimates of future job openings, titles, position descriptions, qualifications, recruiting, training, placement and such other information as DPD has requested relating to the Project.

5.13 Environmental Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property, and any phase II environmental audit with respect to the Property required by the City. Developer has provided the City with a letter from

the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

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

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

5.15 Litigation. Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval Developer shall submit copies of the Construction Contract and all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements to DPD. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

6.02 Construction Contract Prior to the execution thereof, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by Developer, the General Contractor and any other parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications amendments or supplements thereto.

6.03 Performance and Payment Bonds Prior to the commencement of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor

be bonded for its payment by sureties having an AA rating or better using a bond in the form approved by DPD. The City shall be named as obligee or co-obligee on any such bonds.

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement) [Note: confirm with DPD whether City residency requirements are to apply to each contract, or to the Project as a whole.] Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. Upon completion of the construction of the Project in accordance with the terms of this Agreement, and upon Developer's written request, DPD shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures. The Certificate will not be issued until the following conditions have been met:

(a) sale of sites for the Anchor Stores completed;

(b) the Anchor Stores are fully occupied and conducting business;

(c) a combined minimum of 80% of the gross square footage of the Project has been sold to the Anchor Stores or leased,

(d) the Developer has notified the City in writing that the Project has been completed as it is defined in this Agreement;

(e) verification in writing by the City's Monitoring and Compliance Unit that the Developer is in full and complete compliance with the City's MBE/WBE, City residency and prevailing wage requirements, including payment of $22,169 43 to the City for liquidated damages required by Section 10.02 for Developer's shortfall in City resident work hours;

(f) the Developer has satisfied all requirements and matters described in Section 8 23 of this Agreement; and

(g) the Developer has submitted adequate documentation of final Project costs to DPD

7.02 Effect of Issuance of Certificate, Continuing Obligations The Certificate relates only to the construction of the Project. and upon its issuance, the City will certify that the terms of the

Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.06, and 8.19 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

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

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

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

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

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

SECTION 8 COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

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

(a) Developer is an Illinois limited liability company duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

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

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Articles of Organization or

operating agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which Developer is now a party or by which Developer is now or may become bound;

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

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

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

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

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

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

(j) prior to the issuance of a Certificate, Developer shall not do any of the following without the prior written consent of DPD (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business, (3) enter into any transaction outside the ordinary course of Developer's business, (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition,

(k) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

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

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

(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) such party will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) such party understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be substantially less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms of Section 18.21 of this Agreement, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(r) Developer acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto

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

Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

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

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

8.05 [intentionally omitted]

8.06 Continuing Operations and Occupancy. Developer shall maintain an average minimum occupancy (the "Average Minimum Occupancy") of not less than eighty percent (80%) of the net leaseable square footage of the Project from the date the Certificate is issued until December 31 of that year and for every successive calendar year thereafter until all City Funds have been paid hereunder (each a "Compliance Period"). Developer shall include information and documentation regarding its compliance with the Average Minimum Occupancy, including a list of tenants, their businesses and the number of employees, in the Annual Compliance Report. The Average Minimum Occupancy reported in any Annual Compliance Report refers to calculations of average occupancy at the Property during the prior calendar year (or from the date of the Certificate for the first Compliance Period). Developer shall cause the Property to be used as in accordance with this Agreement and the Redevelopment Plan. Developer covenants and agrees to operate the Property as a retail shopping center for the entire Term of the Agreement. The covenants contained in this Section 8.06 shall run with the land and be binding upon any transferee for the Term of the Agreement.

8.07 Employment Opportunity. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which Developer shall correct any shortfall.

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

8.09 Prevailing Wage Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

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

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

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2013 and each year thereafter until the earlier of the Term of the Agreement or the year in which the final Installment of City Funds is paid to Developer. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

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

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

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

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

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

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. If this this Agreement cannot be recorded prior to any mortgage made in connection with Lender Financing, the Subordination Agreement must be executed and recorded. Developer shall pay all fees and charges incurred in connection with the recording of this Agreement and the Subordination Agreement. Upon recording, Developer shall immediately transmit to the City an executed original of both documents showing the date and recording number(s) of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

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

(ii) Right to Contest Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property Developer's right to challenge

real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

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

(c) Real Estate Taxes.

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

(ii) Covenants Running with the Land The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be

released when the Redevelopment Area is no longer in effect. Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.19(c).

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

8.21 Annual Report(s). Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.22 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code and (b) to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 and 2-55 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.23 Green Roof and Other Environmental Requirements. Buildings in the Project with a footprint of 10,000 square feet or more shall either (a) include a green roof on 75% of all flat roof surfacesand an Energy Star-rated surface on the remainder or (b) include a green roof on 50% of all flat roof surfaces and an Energy Star-rated surface on the remainder. Buildings in the Project with a footprint of less than 10,000 square feet shall either (a) include a green roof on 25% of all flat surfaces; or (b) install Energy Star-rated surface on all flat roof areas. The green roof square footage requirement may be divided among the roof areas of all the buildings in the Project, as long as the total required green roof square footage is met at the completion of the Project. All green roof plans must be approved by DPD. Developer is strongly encouraged to use stormwater "best management practices," such as natural landscaping, permeable paving, drainage swales, and naturalized detention basins, that limit the amount of stormwater entering the City's sewer system.

8.24. FOIA and Local Records Act Compliance

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

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.21, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

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

8.25 Job Readiness Program. Developer shall undertake a job readiness program, as described in Exhibit J hereto, to work with the City, through DPD's Workforce Solutions Division, to participate in job training programs to provide job applicants for the jobs created by the Project and the operation of Developer's business on the Property.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9 01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

9.02 Survival of Covenants All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual

orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be

(f) Failure to comply with the employment obligations described in this Section 10 01 shall be a basis for the City to pursue remedies under the provisions of Section 15 02 hereof.

10 02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City), provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor shall be

required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

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

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

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

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

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

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

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

When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of 0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to

prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

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

Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, [and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit E-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

(1) At least 24 percent by MBEs.
(2) At least four percent by WBEs.

(b) For purposes of this Section 10 03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 10 03. In accordance with Section 2-92-730, Municipal Code, Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD

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

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

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

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding, (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll, (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity

SECTION 11. ENVIRONMENTAL MATTERS

Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, [the Bond Ordinance] and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

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

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

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

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

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

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

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

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

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

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

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

SECTION 13 INDEMNIFICATION

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

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

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

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

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

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15 03, shall constitute an "Event of Default" by Developer hereunder

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

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

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

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

(e) the commencement of any proceedings in bankruptcy by or against Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

(g) the entry of any judgment or order against Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer or the death of any natural person who owns a material interest in Developer;

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

(k) prior to the expiration of the Term of the Agreement, the sale or transfer of a majority of the ownership interests of Developer without the prior written consent of the City;

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

(m) the occurrence of any Reimbursement Event.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of Developer's membership interests.

15.02 Remedies Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein or repayment of all or part of the City Funds paid to Developer. Notwithstanding anything herein to the contrary, the Developer shall not be obligated to repay any or all of the City Funds disbursed to Developer except as provided in Section 15.04.

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

15.04 Occupancy Default.

Notwithstanding any other provision in this Agreement to the contrary, the following provisions shall apply in regard to default and remedies related to the occupancy requirements of Section 8.06:

(a) While subject to the occupancy requirements of Section 8.06, if the Developer shall fail to (1) submit an Annual Compliance Report for any Compliance Period, or (2) maintain the Average Minimum Occupancy for a Compliance Period (each an "Occupancy Default"), then Developer shall receive no payment for such Compliance Period.

(b) In the event there is an Occupancy Default, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred, unless the Developer: i) has failed to cure the Occupancy Default within one (1) year of the date the City is due its Annual Compliance Report specifying such default (the "Receipt Date," which is the same as the date the Requisition Form is due), such period to be defined as the "Minimum Cure Period", or ii) has cured a previous Occupancy Default within the Maximum Cure Period (defined herein), provided, however, if an Occupancy Default described in subpart (i) is not cured within the Minimum Cure Period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within the Minimum Cure Period and thereafter cures such default within two (2) years of the related Receipt Date. provided, further, that through the Term of the Agreement the Developer will be allowed a maximum of two (2) years to cure an Occupancy Default or such other time period as approved by the Commissioner of DPD in

her/his sole discretion (the "Maximum Cure Period").

(c) If the Developer submits an Annual Compliance Report which describes an Occupancy Default, except that the Developer has maintained the Average Minimum Occupancy in the thirty (30) days preceding the Receipt Date and the Developer has provided the City with evidence that it has contracted for the Average Minimum Occupancy for the following year, then the Developer will not be deemed to have incurred an Occupancy Default in relation to such Occupancy Report.

(d) If the Developer has cured all Occupancy Defaults, the Developer shall continue to deliver Annual Compliance Reports and maintain the Average Minimum Occupancy for the number of years for which the Developer did not report maintaining the Average Minimum Occupancy.

(e) Occupancy Remedies.

(i) Upon the occurrence of an Event of Default pursuant to an Occupancy Default under section (b), the City may terminate this Agreement and all related agreements, and suspend disbursement of City Funds. Further, if an uncured Occupancy Default occurs within three (3) years of Certificate issuance, the Developer is obligated to pay back to the City all funds disbursed to the Developer. The City, may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

(ii) Upon the occurrence of an Occupancy Default, the City may suspend disbursement of payments due under this Agreement until the Developer has complied with the occupancy covenants in Section 8.06. The City is not obligated to set aside, for future payments to the Developer, project increment that the City otherwise would have paid during such years.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit D hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land

(b) In the event that any mortgagee shall succeed to Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" hereunder [Note: in a transaction where a City Note is issued, confirm with DPD whether the assignee can receive payments under the City Note without additional City consent]; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) telecopy or facsimile; (c) overnight courier, or (d) registered or certified mail, return receipt requested. In addition, notices to be given to the City shall also be e-mailed to TIFMonitoringCompliance@cityofchicago.org.

If to the City:	**If to Developer**:
City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner	Preferred-Halsted, LLC 141 West Jackson, Suite 3632 Chicago, Illinois 60604 Attention: Evan Oliff
With Copies To: City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division	With Copies To Fisher Cohen Waldman Shapiro LLP 1247 Waukegan Road, Suite 100 Glenview, Illinois 60025 Attention Mark Lenz

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch Any notice, demand or

request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

18.10 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinances shall prevail and control.

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

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

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

18.14 Assignment. Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 Real Estate Provisions and 8.23 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18 16 Force Majeure. Neither the City nor Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to

this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

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

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a Financial Interest, or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a business relationship that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby

18.21 Shakman Accord Provisions

(a) The City is subject to the June 24, 2011 "City of Chicago Hiring Plan" (the "City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois) Among other things, the City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors

(b) The Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with the Developer, either as an employee or as a subcontractor, and from directing the Developer to hire an individual as an employee or as a subcontractor. Accordingly, the Developer must follow your own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by the Developer under this Agreement are employees or subcontractors of the Developer, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by the Developer.

(c) The Developer will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(d) In the event of any communication to the Developer by a City employee or City official in violation of paragraph (b) above, or advocating a violation of paragraph (c) above, the Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("IGO Hiring Oversight"), and also to the head of the Department. The Developer will also cooperate with any inquiries by IGO Hiring Oversight related to this Agreement.

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

PREFERRED-HALSTED, LLC
an Illinois limited liability company

By:_____

Its:_____

CITY OF CHICAGO

By:_____
Andrew J. Mooney, Commissioner
Department of Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of Preferred-Halsted, LLC, an Illinois limited liability (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the members of Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2015.

_____
Notary Public

My Commission Expires_____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2015.

_____
Notary Public

My Commission Expires_____

EXHIBIT A

REDEVELOPMENT AREA

[see attached]

LEGAL DESCRIPTION OF THE 119TH AND HALSTED REDEVELOPMENT PROJECT AREA

ALL THAT PART OF SECTIONS 20, 21, 28 (NORTH OF THE INDIAN BOUNDARY LINE) AND 29 IN TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF 115th ST. WITH THE CENTER LINE OF MORGAN ST.;

THENCE SOUTH ALONG SAID CENTER LINE OF MORGAN ST. TO THE WESTERLY EXTENSION OF A LINE 8 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF LOT 1 IN MAPLE PARK COURT RESUBDIVISION OF PART OF STANLEY MATHEW'S SUBDIVISION IN THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID LINE BEING ALSO THE CENTER LINE OF THE 16 FOOT ALLEY LYING NORTH OF AND ADJOINING SAID LOT 1 IN MAPLE PARK COURT RESUBDIVISION;

THENCE EAST ALONG SAID EASTERLY EXTENSION AND ALONG THE LINE 8 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF LOT 1 IN MAPLE PARK COURT RESUBDIVISION AND ALONG THE EASTERLY EXTENSION THEREOF TO THE WESTERLY LINE OF THE PENN CENTRAL RAIL ROAD RIGHT OF WAY;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF THE PENN CENTRAL RAIL ROAD RIGHT OF WAY TO THE CENTER LINE OF 117th ST.;

THENCE WEST ALONG SAID CENTER LINE OF 117th ST. TO THE NORTHERLY EXTENSION OF THE CENTER LINE OF THE 16 FOOT ALLEY LYING EAST AND ADJOINING THE EAST LINE OF LOTS 12 THROUGH 35, INCLUSIVE, IN BLOCK 1 IN THE RESUBDIVISION OF THE EAST HALF OF ORIGINAL BLOCKS 8 AND 11 AND ALL OF THAT PART OF BLOCK 7, LYING WEST OF THE P. C. C. & St. L. R. R. IN ORIGINAL SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND ALONG SAID CENTER LINE OF THE 16 FOOT ALLEY AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE CENTER LINE OF 118th ST.;

THENCE EAST ALONG SAID CENTER LINE OF 118th ST. TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE ALLEY LYING EAST OF AND ADJOINING

THE EAST LINE OF LOTS 1 THROUGH 15, INCLUSIVE, IN BLOCK 2 IN SAID RESUBDIVISION OF THE EAST HALF OF ORIGINAL BLOCKS 8 AND 11 AND ALL OF THAT PART OF BLOCK 7, LYING WEST OF THE P. C. C. & St. L. R. R. IN ORIGINAL SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND ALONG THE EAST LINE OF THE ALLEY LYING EAST OF AND ADJOINING THE EAST LINE OF LOTS 1 THROUGH 15, INCLUSIVE, IN BLOCK 2 IN SAID RESUBDIVISION AND ALONG THE SOUTHERLY EXTENSION THEREOF TO THE CENTER LINE OF THE ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOT 15 IN SAID BLOCK 2 IN THE RESUBDIVISION OF THE EAST HALF OF ORIGINAL BLOCKS 8 AND 11 AND ALL OF THAT PART OF BLOCK 7, LYING WEST OF THE P. C. C. & St. L. R. R. IN ORIGINAL SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG THE CENTER LINE OF SAID ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOT 15 IN BLOCK 2 IN SAID RESUBDIVISION TO THE EAST LINE OF PEORIA ST.;

THENCE WEST ALONG A STRAIGHT LINE TO THE POINT OF INTERSECTION OF THE WEST LINE OF PEORIA ST. WITH THE CENTER LINE OF THE ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 29 AND 18 IN BLOCK 4 IN THE RESUBDIVISION OF THE WEST HALF OF BLOCKS 8 & 11 AND ALL OF BLOCKS 9 & 10, EXCEPT LOTS 19, 22, AND 23 OF BLOCK 10 OF THE ORIGINAL SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG THE CENTER LINE OF THE ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 29 AND 18 IN BLOCK 4 IN SAID RESUBDIVISION AND THE WESTERLY EXTENSION THEREOF TO THE CENTER LINE OF SANGAMON ST.;

THENCE NORTH ALONG SAID CENTER LINE OF SANGAMON ST. TO THE EASTERLY EXTENSION OF THE CENTER LINE OF THE ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 19, 20 AND 21 IN BLOCK 3 IN SAID RESUBDIVISION OF THE WEST HALF OF BLOCKS 8 & 11 AND ALL OF BLOCKS 9 & 10, EXCEPT LOTS 19, 22, AND 23 OF BLOCK 10 OF THE ORIGINAL SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID CENTER LINE OF THE ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 19, 20 AND 21 IN BLOCK 3 IN SAID RESUBDIVISION TO THE NORTHERLY EXTENSION OF THE WEST LINE OF SAID LOT 21 IN BLOCK 3 IN SAID RESUBDIVISION;

THENCE NORTH ALONG SAID NORTHERLY EXTENSION OF THE WEST LINE OF SAID LOT 21 TO THE SOUTH LINE OF LOT 18 IN BLOCK 3 IN SAID RESUBDIVISION;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 18 AND ALONG THE WESTERLY EXTENSION THEREOF AND ALONG THE SOUTH LINE OF LOT 22 IN BLOCK 3 IN SAID RESUBDIVISION TO THE EAST LINE OF MORGAN ST.;

THENCE SOUTH ALONG SAID EAST LINE OF MORGAN ST. TO THE NORTH LINE OF 119th ST.;

THENCE EAST ALONG SAID NORTH LINE OF 119th ST. TO THE EAST LINE OF PEORIA ST.;

THENCE SOUTH ALONG SAID EAST LINE PEORIA ST. TO THE WESTERLY EXTENSION OF THE NORTHERLY LINE OF LOT 1 IN BLOCK 1 OF FIRST ADDITION OF WEST PULLMAN SUBDIVISION;

THENCE EASTERLY ALONG SAID WESTERLY EXTENSION OF THE NORTHERLY LINE OF LOT 1 IN BLOCK 1 OF FIRST ADDITION OF WEST PULLMAN SUBDIVISION TO THE NORTHWEST CORNER OF SAID LOT 1;

THENCE SOUTHERLY ALONG THE WESTERLY LINE OF LOTS 1 THROUGH 11, INCLUSIVE, IN SAID BLOCK 1 OF FIRST ADDITION OF WEST PULLMAN SUBDIVISION TO THE NORTH LINE OF 120th ST.;

THENCE SOUTHERLY TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 8 OF SAID FIRST ADDITION TO WEST PULLMAN SUBDIVISION;

THENCE SOUTHERLY ALONG THE WESTERLY LINE OF LOTS 1 THROUGH 18, INCLUSIVE, IN SAID BLOCK 8 TO THE SOUTHWEST CORNER OF SAID LOT 18;

THENCE SOUTHERLY A DISTANCE OF 25.00 FEET ALONG THE PROLONGATION OF THE LAST DESCRIBED COURSE;

THENCE 165 FEET, MORE OR LESS, WESTERLY TO THE EAST LINE OF VACATED GREEN ST.;

THENCE SOUTHERLY ALONG SAID EAST LINE OF VACATED GREEN ST. TO THE NORTHERLY RIGHT-OF-WAY LINE OF ILLINOIS CENTRAL RAILROAD;

THENCE WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF ILLINOIS CENTRAL RAILROAD TO THE EAST LINE OF PEORIA ST.;

THENCE SOUTH ALONG SAID EAST LINE OF PEORIA ST. TO THE SOUTHERLY RIGHT OF WAY LINE OF THE ILLINOIS CENTRAL RAILROAD;

THENCE EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF THE ILLINOIS CENTRAL RAILROAD TO THE NORTHWEST CORNER OF LOT 1 IN BLOCK 9 OF FIRST ADDITION TO WEST PULLMAN SUBDIVISION;

THENCE SOUTH ALONG THE WESTERLY LINE OF LOTS 1 THROUGH 12 TO THE EASTERLY EXTENSION OF THE SOUTHERLY LINE OF LOT 11 IN BLOCK 1 OF THE RESUBDIVISION OF BLOCK 9 TO 16, INCLUSIVE, OF SAID FIRST ADDITION TO WEST PULLMAN SUBDIVISION;

THENCE WEST ALONG SAID EASTERLY EXTENSION OF THE SOUTHERLY LINE OF LOT 11 IN BLOCK 1 IN SAID RESUBDIVISION, A DISTANCE OF 8 FEET, TO THE CENTER LINE OF THE ALLEY LYING WEST OF AND PARALLEL WITH HALSTED ST., SAID ALLEY BEING ALSO EAST OF AND ADJOINING SAID LOT 11;

THENCE SOUTH ALONG SAID CENTER LINE OF THE ALLEY LYING WEST OF AND PARALLEL WITH HALSTED ST. TO THE CENTER LINE OF 123rd ST.;

THENCE EAST ALONG SAID CENTER LINE OF 123rd ST TO THE CENTER LINE OF EMERALD ST.;

THENCE NORTH ALONG SAID CENTER LINE OF EMERALD ST. TO THE CENTER LINE OF 122nd ST.;

THENCE EAST ALONG SAID CENTER LINE OF 122nd ST. TO THE WESTERLY LINE OF THE RIGHT OF WAY OF THE PENN CENTRAL RAIL ROAD;

THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF THE RIGHT OF WAY OF THE PENN CENTRAL RAIL ROAD TO THE CENTER LINE OF 123rd ST.;

THENCE EAST ALONG SAID CENTER LINE OF 123rd ST. TO THE EASTERLY LINE OF THE RIGHT OF WAY OF THE PENN CENTRAL RAIL ROAD;

THENCE NORTHWESTERLY ALONG SAID EASTERLY LINE OF THE RIGHT OF WAY OF THE PENN CENTRAL RAIL ROAD TO THE SOUTHERLY EXTENSION OF THE CENTER LINE OF THE ALLEY WEST OF AND PARALLEL WITH LOWE AVE., SAID ALLEY BEING ALSO WEST OF AND ADJOINING THE WEST LINE OF LOTS 1 THROUGH 22 IN BLOCK 34 IN WEST PULLMAN, A SUBDIVISION IN THE WEST HALF OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID CENTER LINE OF THE ALLEY WEST OF AND PARALLEL WITH LOWE AVE. TO THE SOUTH LINE OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD;

THENCE EAST ALONG SAID SOUTH LINE OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD TO THE EAST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID EAST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 28 BEING ALSO THE CENTER LINE OF SOUTH STEWART AVENUE;

THENCE NORTH ALONG SAID CENTER LINE OF SOUTH STEWART AVENUE TO THE NORTH LINE OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD;

THENCE WEST ALONG SAID NORTH LINE OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD TO THE CENTER LINE OF LOWE AVE.;

THENCE NORTH ALONG SAID CENTER LINE OF LOWE AVE. TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 37 IN BLOCK 16 IN SAID WEST PULLMAN;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND ALONG THE SOUTH LINE OF LOT 37 AND ALONG THE EASTERLY EXTENSION THEREOF TO THE CENTER LINE OF THE ALLEY EAST OF AND PARALLEL WITH LOWE AVE., SAID ALLEY BEING ALSO EAST OF AND ADJOINING SAID LOT 37;

THENCE NORTH ALONG SAID CENTER LINE OF THE ALLEY EAST OF AND PARALLEL WITH LOWE AVE. TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 IN SAID BLOCK 16 IN WEST PULLMAN;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND ALONG THE SOUTH LINE OF LOT 7 IN SAID BLOCK 16 IN WEST PULLMAN TO THE WEST LINE OF WALLACE ST.;

THENCE EAST ALONG A STRAIGHT LINE TO THE SOUTHWEST CORNER OF LOT 40 IN BLOCK 17 IN SAID WEST PULLMAN;

THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 40 IN BLOCK 17 IN WEST PULLMAN AND ALONG THE EASTERLY EXTENSION THEREOF AND ALONG THE SOUTH LINE OF LOT 7 IN SAID BLOCK 17 IN WEST PULLMAN AND ALONG THE EASTERLY EXTENSION THEREOF TO THE CENTER LINE OF PARNELL AVE.;

THENCE SOUTH ALONG SAID CENTER LINE OF PARNELL AVE. TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 12.5 FEET OF LOT 38 IN BLOCK 18 IN SAID WEST PULLMAN;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND ALONG THE SOUTH LINE OF THE NORTH 12.5 FEET OF LOT 38 IN BLOCK 18 IN SAID WEST

PULLMAN AND THE EASTERLY EXTENSION THEREOF TO THE CENTER LINE OF THE ALLEY EAST OF AND PARALLEL WITH PARNELL AVE., SAID ALLEY BEING ALSO EAST OF AND ADJOINING SAID LOT 38;

THENCE NORTH ALONG SAID CENTER LINE OF THE ALLEY EAST OF AND PARALLEL WITH PARNELL AVE. TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 6 IN SAID BLOCK 18 IN WEST PULLMAN;

THENCE EAST ALONG SAID WESTERLY EXTENSION AND ALONG THE SOUTH LINE OF SAID LOT 6 IN BLOCK 18 IN WEST PULLMAN, AND ALONG THE EASTERLY EXTENSION THEREOF, TO THE CENTER LINE OF NORMAL AVE.;

THENCE NORTH ALONG SAID CENTER LINE OF NORMAL AVE. TO THE WESTERLY EXTENSION OF THE CENTER LINE OF THE ALLEY SOUTH OF AND PARALLEL WITH 119th ST. IN BLOCK 6 IN WEST PULLMAN, SAID ALLEY BEING ALSO SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 1 THROUGH 10, INCLUSIVE, IN THE RESUBDIVISION OF THAT PART OF WEST PULLMAN LYING IN THE NORTHWEST QUARTER OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE EAST ALONG SAID CENTER LINE OF THE ALLEY SOUTH OF AND PARALLEL WITH 119th ST. TO THE CENTER LINE OF WENTWORTH AVE.;

THENCE NORTH ALONG SAID CENTER LINE OF WENTWORTH AVE. TO THE EASTERLY EXTENSION OF THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST., SAID ALLEY BEING ALSO NORTH OF AND ADJOINING LOTS 23 THROUGH 32, INCLUSIVE, IN BLOCK 4 IN THOMAS SCANLAN'S ADDITION TO PULLMAN, BEING A SUBDIVISION IN OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND ALONG THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST. TO THE CENTER LINE OF HARVARD AVE.;

THENCE NORTH ALONG SAID CENTER LINE OF HARVARD AVE. TO THE EASTERLY EXTENSION OF THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST., SAID ALLEY BEING ALSO NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 17 THROUGH 26, INCLUSIVE, IN BLOCK 6 IN A. O. TYLOR'S ADDITION TO PULLMAN, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND OF THE WEST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST. TO CENTER LINE OF STEWART AVE.;

THENCE SOUTH ALONG THE CENTER LINE OF STEWART AVE. TO THE EASTERLY EXTENSION OF THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST., SAID ALLEY BEING ALSO NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 6 THROUGH 15, INCLUSIVE, IN HUGH LAUDER'S SUBDIVISION OF LOT 8 IN BLOCK 5 IN SAID A. O. TYLOR'S ADDITION TO PULLMAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST. TO THE CENTER LINE OF EGGLESTON AVE.;

THENCE NORTH ALONG SAID CENTER LINE OF EGGLESTON AVE. TO THE EASTERLY EXTENSION OF THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST., SAID ALLEY BEING ALSO NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 10 THROUGH 19, INCLUSIVE, IN BLOCK 4 IN SAID A. O. TYLOR'S ADDITION TO PULLMAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST. TO THE CENTER LINE OF NORMAL AVE.;

THENCE SOUTH ALONG SAID CENTER LINE OF NORMAL AVE. TO THE EASTERLY EXTENSION OF THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST., SAID ALLEY BEING ALSO NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 17 THROUGH 26, INCLUSIVE, IN BLOCK 4 IN HANNAH B. GANO'S ADDITION TO PULLMAN, BEING A SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE CENTER LINE OF THE ALLEY NORTH OF AND PARALLEL WITH 119th ST. TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 28 IN BLOCK 4 IN KNEELAND AND WRIGHT'S 2nd ADDITION TO WEST PULLMAN IN THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF LOT 28 IN BLOCK 4 IN KNEELAND AND WRIGHT'S 2nd ADDITION TO WEST PULLMAN AND THE NORTHERLY EXTENSION THEREOF TO THE CENTER LINE OF 118th PL.;

THENCE WEST ALONG SAID CENTER LINE OF 118th PL. TO THE SOUTHERLY EXTENSION OF THE CENTER LINE OF THE ALLEY EAST OF AND PARALLEL WITH

HALSTED ST., SAID ALLEY BEING ALSO WEST OF AND ADJOINING THE WEST LINE OF LOTS 1 THROUGH 11, INCLUSIVE, IN SAID BLOCK 4 IN KNEELAND AND WRIGHT'S 2nd ADDITION TO WEST PULLMAN;

THENCE NORTH ALONG SAID CENTER LINE OF THE ALLEY EAST OF AND PARALLEL WITH HALSTED ST. TO THE CENTER LINE OF 118th ST.;

THENCE EAST ALONG SAID CENTER LINE OF 118th ST. TO THE SOUTHERLY EXTENSION OF THE CENTER LINE OF THE ALLEY EAST OF AND PARALLEL WITH HALSTED ST., SAID ALLEY BEING ALSO EAST OF AND ADJOINING THE EAST LINE OF LOTS 170 THROUGH 165, INCLUSIVE, IN SHARPSHOOTER'S PARK SUBDIVISION OF PART OF SHARPSHOOTER'S PARK, SAID PARK BEING THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND ALONG THE CENTER LINE OF THE ALLEY EAST OF AND PARALLEL WITH HALSTED ST. TO THE CENTER LINE OF 115th ST.;

THENCE WEST ALONG SAID CENTER LINE OF 115th ST. TO THE CENTER LINE OF HALSTED ST.;

THENCE NORTH ALONG SAID CENTER LINE OF HALSTED ST. TO THE CENTER LINE OF 114th ST.;

THENCE WEST ALONG SAID CENTER LINE OF 114th ST. TO THE SOUTHERLY EXTENSION OF THE CENTER LINE OF THE ALLEY WEST OF AND PARALLEL WITH GREEN ST., SAID ALLEY BEING ALSO EAST OF AND ADJOINING THE EAST LINE OF LOTS 16 THROUGH 30, INCLUSIVE, IN SHELDON HEIGHTS WEST FIFTH ADDITION, A SUBDIVISION OF A PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE CENTER LINE OF THE ALLEY WEST OF AND PARALLEL WITH GREEN ST. TO THE EASTERLY EXTENSION OF THE SOUTH LINE SAID LOT 30 IN SHELDON HEIGHTS WEST FIFTH ADDITION;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE SOUTH LINE SAID LOT 30 IN SHELDON HEIGHTS WEST FIFTH ADDITION AND ALONG THE WESTERLY EXTENSION THEREOF TO THE SOUTHEAST CORNER OF LOT 31 IN SAID SHELDON HEIGHTS WEST FIFTH ADDITION;

THENCE CONTINUING WEST ALONG THE SOUTH LINE OF SAID LOT 31 IN SAID SHELDON HEIGHTS WEST FIFTH ADDITION AND ALONG THE WESTERLY

EXTENSION THEREOF TO THE SOUTHWEST CORNER OF SAID SHELDON HEIGHTS WEST FIFTH ADDITION;

THENCE NORTH ALONG THE WEST LINE OF SAID SHELDON HEIGHTS WEST FIFTH ADDITION, SAID WEST LINE BEING ALSO THE WEST LINE OF AN 8 FOOT ALLEY WEST OF AND PARALLEL WITH PEORIA ST., TO THE EASTERLY EXTENSION OF A LINE 16 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF LOTS 19 AND 20 IN THE SIXTH ADDITION TO SHELDON HEIGHTS WEST, BEING A SUBDIVISION OF PART OF THE EAST TWO THIRDS OF THE WEST THREE EIGHTS OF THE NORTH HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE WEST ALONG SAID EASTERLY EXTENSION AND ALONG A LINE 16 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF LOTS 19 AND 20 IN THE SIXTH ADDITION TO SHELDON HEIGHTS WEST TO THE SOUTHWESTERLY LINE OF SAID SIXTH ADDITION TO SHELDON HEIGHTS WEST SUBDIVISION, SAID SOUTHWESTERLY LINE BEING ALSO A LINE 8 FEET SOUTHWEST OF AND PARALLEL WITH THE SOUTHWESTERLY LINE OF LOTS 20 THROUGH 23, INCLUSIVE IN SAID SIXTH ADDITION TO SHELDON HEIGHTS WEST;

THENCE NORTHWEST ALONG SAID SOUTHWESTERLY LINE OF SIXTH ADDITION TO SHELDON HEIGHTS WEST SUBDIVISION TO THE POINT OF INTERSECTION OF SAID SOUTHWESTERLY LINE WITH THE WEST LINE OF SAID SIXTH ADDITION TO SHELDON HEIGHTS WEST SUBDIVISION, SAID POINT BEING 1,032.98 FEET SOUTH OF THE NORTH LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN;

THENCE SOUTHWESTERLY ALONG A STRAIGHT LINE TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID POINT BEING 1,188.76 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 20 AS MEASURED ALONG SAID WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 20;

THENCE SOUTH ALONG SAID WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 20 TO THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF THE PENN CENTRAL RAIL ROAD;

THENCE NORTHWEST ALONG SAID THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF THE PENN CENTRAL RAIL ROAD TO THE CENTER LINE OF 111th ST.;

THENCE WEST ALONG SAID CENTER LINE OF 111th ST. TO THE SOUTHWESTERLY LINE OF THE RIGHT OF WAY OF THE PENN CENTRAL RAIL ROAD;

THENCE SOUTHEAST ALONG SAID SOUTHWESTERLY LINE OF THE RIGHT OF WAY OF THE PENN CENTRAL RAIL ROAD TO THE CENTER LINE OF 115th ST.;

THENCE WEST ALONG SAID CENTER LINE OF 115th ST. TO THE POINT OF BEGINNING ON THE CENTER LINE OF MORGAN ST.

ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT B

PROPERTY

[Subject to Survey and Title Insurance]

[See attached]

THAT PART OF HILDRUP'S RESUBDIVISION, RECORDED AS DOCUMENT NUMBER 1032530, AND ALSO PART OF PLACERDALE SUBDIVISION RECORDED AS DOCUMENT NUMBER 383570, BOTH BEING SUBDIVISIONS IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF LOT 8 IN SAID HILDRUP'S RESUBDIVISION; THENCE SOUTH 00 DEGREES 42 MINUTES 40 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 8 AND THE SOUTHERLY EXTENSION THEREOF, 200.08 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 42 MINUTES 14 SECONDS WEST, 266.79 FEET; THENCE NORTH 00 DEGREES 16 MINUTES 32 SECONDS WEST, 200.17 FEET TO THE NORTH LINE OF SAID HILDRUP'S RESUBDIVISION; THENCE SOUTH 89 DEGREES 43 MINUTES 28 SECONDS WEST ALONG SAID NORTH LINE, 41.00 FEET; THENCE SOUTH 00 DEGREES 16 MINUTES 32 SECONDS EAST, 200.19 FEET; THENCE SOUTH 89 DEGREES 42 MINUTES 14 SECONDS WEST, 153.02 FEET; THENCE NORTH 46 DEGREES 12 MINUTES 27 SECONDS WEST, 10.16 FEET TO A LINE PARALLEL WITH AND 30.00 FEET EASTERLY OF, AS MEASURED AT RIGHT ANGLES TO, THE EASTERLY LINE OF THE PENNSYLVANIA RAILROAD; THENCE NORTH 20 DEGREES 02 MINUTES 03 SECONDS WEST ALONG SAID PARALLEL LINE, 181.23 FEET; THENCE NORTH 00 DEGREES 16 MINUTES 32 SECONDS WEST, 22.61 FEET TO THE NORTH LINE OF SAID PLACERDALE SUBDIVISION; THENCE SOUTH 89 DEGREES 43 MINUTES 28 SECONDS WEST ALONG SAID NORTH LINE, 40.00 FEET TO THE EASTERLY LINE OF SAID PENNSYLVANIA RAILROAD; THENCE SOUTH 20 DEGREES 02 MINUTES 03 SECONDS EAST ALONG SAID EASTERLY LINE, 634.25 FEET TO THE NORTH LINE OF WEST 116TH STREET; THENCE NORTH 89 DEGREES 40 MINUTES 17 SECONDS EAST ALONG SAID NORTH LINE, 377.98 FEET TO THE EAST LINE OF THE PUBLIC ALLEY AS VACATED PER DOCUMENT NUMBER 17407475; THENCE NORTH 00 DEGREES 42 MINUTES 40 SECONDS WEST ALONG SAID EAST LINE, 321.50 FEET TO THE SOUTH LINE OF THE NORTH HALF OF LOT 12 BLOCK 1 IN PLACERDALE SUBDIVISION, RECORDED AS DOCUMENT NUMBER 383570; THENCE NORTH 89 DEGREES 42 MINUTES 24 SECONDS EAST ALONG SAID SOUTH LINE, 161.28 FEET TO THE WEST LINE OF SOUTH HALSTED STREET AS MONUMENTED; THENCE NORTH 00 DEGREES 42 MINUTES 37 SECONDS WEST ALONG SAID WEST LINE, 75.00 FEET TO THE NORTH LINE OF LOT 9 BLOCK 1 IN SAID PLACERDALE SUBDIVISION; THENCE SOUTH 89 DEGREES 42 MINUTES 53 SECONDS WEST ALONG SAID NORTH LINE, 181.28 FEET TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF LOT 8 IN SAID HILDRUP'S RESUBDIVISION; THENCE SOUTH 00 DEGREES 42 MINUTES 40 SECONDS EAST, ALONG SAID LINE, 0.03 FEET TO THE POINT OF BEGINNING;
ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

Land Acquisition & Property Assemblage

741 W 115th	$	250,000.00
CHA Warehouse Property	$	2,305,000.00
Jacobs	$	160,275.00
Autozone	$	143,405.00
TIF-Funded Improvements Total	$	2,858,680.00*

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03 and shall not exceed the lesser of $1,965,796.65 or 17.7% of the Project Budget.

EXHIBIT D

PERMITTED LIENS

1. Liens or encumbrances against the Property:

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

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

[To be completed by Developer's counsel, subject to City approval.]

EXHIBIT E-1

PROJECT BUDGET

Land Acquisition	
741 W 115th	$ 250,000.00
CHA Warehouse Property Demolished	2,305,000.00
Jacobs	160,275.00
Autozone	143,405.00
Land Acquisition Total	2,858,680.00
Hard Costs	
Base Building - Shopping Center (Ledcor)	5,204,092.45
Hard Costs Total	5,204,092.45
Soft Costs	
Lease Commissions	213,210.90
Civil Engineering	78,959.25
Architect	220,147.59
Environmental	386,859.13
Insurance	59,514.66
Building Permits	58,265.32
Testing & Reports	34,168.43
Legal & Professional	304,790.86
RE Taxes	150,000.00
Overhead and Admin	450,000.00
Utilities	57,518.40
Site Expenses	228,157.25
Interest Expense	650,000.00
Lenders Fees	100,000.00
Loan Extension Fees	-
Closing Costs	11,831.50
Broker Fee	40,000.00
Soft Costs Total	3,043,423.29
Total Project Costs	$ 11,106,195.74

EXHIBIT E-2

MBE/WBE BUDGET

		MBE	WBE
Hard Costs			
Base Building - Shopping Center (Ledcor)	5,204,092.45	$1,248,982	$208,163.68
Hard Costs Total	5,204,092.45	24%	4%

EXHIBIT F

APPROVED PRIOR EXPENDITURES

Land Acquisition	
741 W 115th	$ 250,000.00
CHA Warehouse Property Demolished	2,305,000.00
Jacobs	160,275.00
Autozone	143,405.00
Land Acquisition Total	2,858,680.00
Hard Costs	
Base Building - Shopping Center (Ledcor)	5,204,092.45
Hard Costs Total	5,204,092.45
Soft Costs	
Lease Commissions	213,210.90
Civil Engineering	78,959.25
Architect	220,147.59
Environmental	386,859.13
Insurance	59,514.66
Building Permits	58,265.32
Testing & Reports	34,168.43
Legal & Professional	304,790.86
RE Taxes	150,000.00
Overhead and Admin	450,000.00
Utilities	57,518.40
Site Expenses	228,157.25
Interest Expense	650,000.00
Lenders Fees	100,000.00
Loan Extension Fees	-
Closing Costs	11,831.50
Broker Fee	40,000.00
Soft Costs Total	3,043,423.29
Total Project Costs	$ 11,106,195.74

EXHIBIT G

OPINION OF DEVELOPER'S COUNSEL

[To be retyped on Developer's Counsel's letterhead]

___, ____

City of Chicago
121 North LaSalle Street
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Preferred-Halsted, LLC, an Illinois limited liability company (the "Developer"), in connection with the purchase of certain land located at 833-901 West 115th Street, Chicago, Illinois 60643 and the construction of certain facilities thereon located in the 119th and Halsted Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

(a) Maple Park Marketplace Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City");

(b) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and

(c) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of Developer's (i) Articles of Organization, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, (iii) the Operating Agreement, as amended to date, and (iv) records of all corporate proceedings relating to the Project, and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies

Based on the foregoing, it is our opinion that:

1. Developer is a limited liability company duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign entity under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, Developer's Articles of Organization or Operating Agreement or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which Developer is a party or by which Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of Developer.

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. Exhibit A attached hereto (a) identifies each class of capital stock of Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of Developer Each outstanding share of the capital stock of Developer is duly authorized, validly issued, fully paid and nonassessable.

6 To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

This opinion is issued at Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

_____

By:_____
Name:_____

EXHIBIT H

REQUISITION FORM

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The affiant, _____, _____ of Preferred-Halsted, LLC, an Illinois limited liability company (the "Developer"), hereby certifies that with respect to that certain Maple Park Marketplace Redevelopment Agreement between Developer and the City of Chicago dated _____, 2015 (the "Agreement"):

A. Expenditures for the Project, in the total amount of $_____, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

$_____

C. Developer requests reimbursement for the following cost of TIF-Funded Improvements:

$_____

D. None of the costs referenced in paragraph C above have been previously reimbursed by the City.

E. Developer hereby certifies to the City that, as of the date hereof:

1 Except as described in the attached certificate, the representations and warranties contained in the Agreement are true and correct and Developer is in compliance with all applicable covenants contained herein

2. No event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default, exists or has occurred

All capitalized terms which are not defined herein has the meanings given such terms in the Agreement.

Preferred-Halsted, LLC,
an Illinois limited liability company

By:_____
Name
Title:_____

Subscribed and sworn before me this ___ day of _____
_____.

_____
My commission expires:_____

Agreed and accepted:

_____
Name
Title:_____
City of Chicago
Department of Planning and Development

EXHIBIT I

FORM OF SUBORDINATION AGREEMENT

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

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the ___ day of _____, 2015 between the City of Chicago by and through its Department of Planning and Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

W I T N E S S E T H:

WHEREAS, Preferred-Halsted, LLC, an Illinois limited liability company (the "Developer"), has purchased certain property located within the 119th and Halsted Redevelopment Project Area at 833-901 West 115th Street, Chicago, Illinois 60643 and legally described on the Exhibit hereto (the "Property"), in order to construct an approximately 59,611 square foot retail shopping center on the Property (the "Project"); and

WHEREAS, as part of obtaining financing for the Project, Developer entered into a certain _____ Loan Agreement dated as of _____ with the Lender pursuant to which the Lender agreed to make a loan to the Developer in an amount not to exceed $_____ (the "Loan"), which Loan is evidenced by a Mortgage Note and executed by the Developer in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Developer pursuant to the following: (i) Mortgage dated _____ and recorded _____ as document number _____ made by the Developer to the Lender, and (ii) Assignment of Leases and Rents recorded _____ as document number _____ made by the Developer to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements"),

WHEREAS, pursuant to the Redevelopment Agreement, Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02, 8.06 and 8.19 of the Redevelopment Agreement (the "City Encumbrances"),

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with Developer as of the date hereof, subject, among other things, to (a) the execution by Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances, and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of Developer's default in connection therewith. Under no circumstances shall Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto The singular form of any word used in this Agreement shall include the plural form

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows

If to the City	If to Developer
City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner	Preferred-Halsted, LLC 141 West Jackson, 35th Floor Chicago, Illinois 60604 Attention _____
With Copies To	With Copies To

City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division	_____ _____ _____ Attention: _____

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By:

Its:_____

CITY OF CHICAGO

By:_____
Its. Commissioner,
Department of Planning and Development

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, ____

Preferred-Halsted, LLC, an Illinois limited liability company

By
Its

Exhibit to Subordination Agreement – Legal Description

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Commissioner, he signed and delivered the said instrument pursuant to authority, as his free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of _____, 2015.

_____
Notary Public

My Commission Expires

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT _____, personally known to me to be the _____ of [Lender], a_____, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of _____, 2015.

_____
Notary Public

My Commission Expires

(SEAL)

EXHIBIT J

Job Readiness Program

Prior to the Closing Date, the Developer must meet with DPD's Workforce Solutions Division to discuss the Project. The Developer must also send a letter (with a copy to DPD) to any tenants to familiarize them with the programs established by the City and available through DPD for the purpose of helping prepare individuals to work for businesses located within the 119th and Halsted TIF Redevelopment Area.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable.

Preferred-Halsted LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 141 West Jackson Blvd Ste 3540
Chicago IL 60604

C. Telephone: 312.953.1802 Fax: n/a Email: evan@preferreddevelopment.com

D. Name of contact person: Evan Oliff

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Obtaining TIF funds for shopping center located near 115th/Halsted

G. Which City agency or department is requesting this EDS? Planning & Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Evan Oliff	Manager
Thomas Morabito	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Morabito Descendants Trust	n/a	48%
Oliff Descendants Trust	n/a	48%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Fisher Cohen Waldman Shapiro	1247 Waukegan Rd Glenview IL 60025	attorney	$20,000 (est.)

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

n/a

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

none

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

none

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_x_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Preferred-Halsted LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Evan Oliff
(Print or type name of person signing)

Manager
(Print or type title of person signing)

Signed and sworn to before me on (date) December 9, 2014
at Cook County, Illinois (state).

Paulette H. Kirschner Notary Public.

OFFICIAL SEAL
PAULETTE H KIRSCHNER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 08/07/17

Commission expires: 08/07/17.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Morabito Descendants Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [x] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Preferred-Halsted LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 600W Jackson Blvd, Ste 720
Chicago IL 60661

C. Telephone: 312.327.2700 Fax: 312.987.1101 Email: tmorabito@seneca-re.com

D. Name of contact person: Tom Morabito

E. Federal Employer Identification No. (if you have one): n/a

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Obtaining TIF funds for shopping center located near 115th/Halsted

G. Which City agency or department is requesting this EDS? Planning & Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[x] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Glen Mazurowski	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
The owners of the trust are the minor children of Thomas Morabito		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

n/a

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

none

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

none

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

x 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article 1 of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Morabito Descendants Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Glen Mazurowski
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) 11/25/14,
at Cook County, Illinois (state).

Samantha Farruggia Notary Public.

Commission expires: 7/18/18.

OFFICIAL SEAL
SAMANTHA FARRUGGIA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/18/18

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable: .

Oliff Descendants Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Preferred-Halsted LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 2480 N Lakeview Ave
Chicago IL 60614

C. Telephone: 312.953.1802 Fax: n/a Email: evan@preferreddevelopment.com

D. Name of contact person: Evan Oliff

E. Federal Employer Identification No. (if you have one): n/a

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Obtaining TIF funds for shopping center located near 115/Halsted

G. Which City agency or department is requesting this EDS? Planning & Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Adam Keyser	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

n/a

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

none

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

none

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__x__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Oliff Descendants Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Adam Keyser
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) November 2, 2017,
at Cook County, Illinois (state).

Yvette Al-Anaswah Notary Public.

Commission expires: April 5 2018.

YVETTE AL-ANASWAH
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
April 5, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable.

Preferred-Halsted LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 141 West Jackson Blvd Ste 3540
Chicago IL 60604

C. Telephone: 312.953.1802 Fax: n/a Email: evan@preferreddevelopment.com

D. Name of contact person: Evan Oliff

E. Federal Employer Identification No. (if you have one): 20-0449075

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Obtaining TIF funds for shopping center located near 115th/Halsted

G. Which City agency or department is requesting this EDS? Planning & Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Evan Oliff	Manager
Thomas Morabito	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Morabito Descendants Trust	n/a	48%
Oliff Descendants Trust	n/a	48%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Fisher Cohen Waldman Shapiro	1247 Waukegan Rd Glenview IL 60025	attorney	$20,000 (est.)

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

n/a

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

none

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

none

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__x__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Preferred-Halsted LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Evan Oliff
(Print or type name of person signing)

Manager
(Print or type title of person signing)

Signed and sworn to before me on (date) December 9, 2014
at Cook County, Illinois (state).

Paulette H. Kirschner Notary Public.

OFFICIAL SEAL
PAULETTE H KIRSCHNER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 08/07/17

Commission expires: 08/07/17.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Morabito Descendants Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [x] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Preferred-Halsted LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 600W Jackson Blvd, Ste 720
Chicago IL 60661

C. Telephone: 312.327.2700 Fax: 312.987.1101 Email: tmorabito@seneca-re.com

D. Name of contact person: Tom Morabito

E. Federal Employer Identification No. (if you have one): n/a

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Obtaining TIF funds for shopping center located near 115th/Halsted

G. Which City agency or department is requesting this EDS? Planning & Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[x] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Glen Mazurowski	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
The owners of the trust are the minor children of Thomas Morabito		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

n/a

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

none

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

none

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__x__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article 1 of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Morabito Descendants Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Glen Mazurowski
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) 11/25/14,
at Cook County, Illinois (state).

Samantha Farruggia Notary Public.

Commission expires: 7/18/18.

OFFICIAL SEAL
SAMANTHA FARRUGGIA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/18/18

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Oliff Descendants Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Preferred-Halsted LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 2480 N Lakeview Ave
Chicago IL 60614

C. Telephone: 312.953.1802 Fax: n/a Email: evan@preferreddevelopment.com

D. Name of contact person: Evan Oliff

E. Federal Employer Identification No. (if you have one): n/a

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Obtaining TIF funds for shopping center located near 115/Halsted

G. Which City agency or department is requesting this EDS? Planning & Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[X] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Adam Keyser	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

n/a

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

none

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

none

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [x] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__x__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Oliff Descendants Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Adam Keyser
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) November 2, 2014,
at Cook County, Illinois (state).

Yvette Al-Anaswah Notary Public.

Commission expires: April 5 2018.

YVETTE AL-ANASWAH
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
April 5, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

City of Chicago

O2015-133

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 421 N St. Louis Ave to James and Yvonne Adams under Adjacent Neighbors Land Acquisition Program
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City, through the foreclosure of demolition liens, tax sales and other methods of acquisition, has acquired title to numerous parcels of real property which are of minimal value and costly to clean up and maintain, and because title to such properties was vested in the City, the properties were exempted from real estate taxes, thus depriving the City of revenue; and

WHEREAS, pursuant to an ordinance (the "Original Program Ordinance") adopted by the City Council of the City ("City Council") on March 6, 1981 and published on pages 5584 - 5585 of the Journal of Proceedings of the City Council ("Journal") for such date, the City established a program for the disposition of certain vacant real property owned by the City known as the Adjacent Neighbors Land Acquisition Program; and

WHEREAS, the Original Program Ordinance was amended by ordinances adopted on July 23, 1982 and published in the Journal for such date at pages 11830 - 11833, and on January 7, 1983 and published in the Journal for such date at pages 14803 - 14805 (the Original Program Ordinance and such two amending ordinances, collectively, the "Original ANLAP Ordinances"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on September 14, 1994 and published in the Journal for such date at pages 56195 - 56198, the City Council repealed the Original ANLAP Ordinances, and established a new program, also known as the Adjacent Neighbors Land Acquisition Program, for the disposition of certain vacant real property owned by the City, which ordinance was subsequently amended by ordinances adopted on September 4, 2002 and published in the Journal for such date at pages 92771 - 92773, and on July 28, 2010 and published in the Journal for such date at pages 97370 – 97374, and on June 25, 2014 and published in the Journal for such date at pages 83533 - 83535 (such new program, as amended, the "ANLAP Program"); and

WHEREAS, pursuant to the ANLAP Program, as codified at Municipal Code Chapter 2-159-010 et seq. (the "ANLAP Program Ordinance"), a qualified City-owned parcel may be sold if it has an appraised value of not more than Fifty Thousand Dollars ($50,000); and

WHEREAS, pursuant to the current ANLAP Program, if the property appraises at or for less than Ten Thousand Dollars ($10,000.00) the minimum acceptable bid must be at least One Thousand Dollars ($1,000.00); if the property appraises at or for less than Twenty Thousand Dollars ($20,000.00) but more than Ten Thousand Dollars ($10,000.00) the minimum acceptable bid must be at least Two Thousand Dollars ($2,000.00); and if the property appraises for more than Twenty Thousand Dollars ($20,000.00) the minimum acceptable bid must be Two Thousand Dollars ($2,000.00), plus fifty percent (50%) of the appraised value which exceeds Twenty Thousand Dollars ($20,000.00); and

WHEREAS, pursuant to the ANLAP Program, an Adjacent Neighbor means a person who owns one parcel, or two or more contiguous parcels, or real property that is immediately

adjacent to a city-owned parcel and at least one of the parcels is an improved parcel which the person occupies as his primary residence; and

WHEREAS, pursuant to the ANLAP Program, any deed conveying a parcel pursuant thereto shall contain covenants which: (1) prohibit the grantee from conveying, assigning or otherwise transferring the parcel except in conjunction with the sale of the adjacent neighbor's parcel on which his primary residence is located; and (2) require that the parcel be improved with landscaped open space within six (6) months of the conveyance of such parcel and prohibit the construction of any permanent improvements on the parcel, excluding only improvements made by the grantee on the parcel that constitute an integrated addition to the grantee's primary residence on the adjacent lot, or a garage appurtenant thereto; and (3) require the grantee to maintain the parcel in accordance with the provisions of the Municipal Code of Chicago. The covenants shall terminate ten (10) years after the date of the conveyance of the parcel to the grantee; and

WHEREAS, the Department of Planning and Development ("DPD") of the City desires to convey the vacant parcel of real property identified on Exhibit A to this ordinance (the "ANLAP Parcel") to Yvonne Adams and James Adams (the "Purchaser"), who have a principal residence of 419 N. St. Louis Avenue, Chicago, Illinois 60624, which ANLAP Parcel is located in the Chicago/Central Park Project Area ("Area") established pursuant to ordinances adopted by the City Council on February 27, 2002 and published in the Journal of Proceedings of the City Council for such date at pages 79794 through 80025; and

WHEREAS, DPD has caused notice of the proposed sale of the ANLAP Parcel to be sent to all eligible adjacent neighbors (if any) and has also caused public notice advertising the City's intent to enter into the sale of the ANLAP Parcel to the Purchaser which was published in the *Chicago Sun-Times* on November 7, 2014; and

WHEREAS, Purchaser's proposal was the only proposal received by the deadline indicated in the aforesaid notice; and

WHEREAS, pursuant to Resolution Number 14-111-21 adopted on December 18, 2014, by the Plan Commission of the City of Chicago ("Commission"), the Commission approved the sale of the Property to the Purchaser; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The City hereby accepts the bid of the Purchaser to purchase the ANLAP Parcel, which purchase shall be subject to all of the terms, conditions, covenants and restrictions of the ANLAP Program and the ANLAP Program Ordinance.

SECTION 2. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the ANLAP Parcel to the Purchaser for the purchase price of One Thousand and 00/100 Dollars ($1,000.00). Such deed shall include a covenant obligating the Purchaser to use the ANLAP Parcel only for a use consistent with the land uses permitted under the redevelopment plan for the Area and consistent with the requirements of the ANLAP Program Ordinance.

SECTION 3. If any provision of this ordinance shall be held to be invalid or

unenforceable for any reason, the invalidity of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Bidder:	Yvonne Adams and James Adams
Bidder Address:	419 N. St. Louis Ave., Chicago, Illinois 60624
Bid Amount:	$1,000.00
Appraised Value:	$9,000.00

Legal Description (Subject to Title Commitment and Survey):

Lot 14 in Block 15 in Dewey's Subdivision of Blocks 15 and 16 in F. Harding's Subdivision of the West ½ of the Northeast ¼ of Section 11, Township 39 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois.

Address:	421 N. St. Louis Avenue Chicago, Illinois 60624
Property Index Number:	16-11-226-010-0000

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

N/A

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
N/A		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[X] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
None		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with 421 North St. Louis Av. [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

James Adams
(Print or type legal name of Disclosing Party)

Date: 12/04/14

By:
James A. Adams
(sign here)

Print or type name of signatory:

Title of signatory:

Signed and sworn to before me on [date] 12/04/14, by James Adams, at Cook County, Illinois [state].

Notary Public.

Commission expires: 03/09/15.

"OFFICIAL SEAL"
Bernard M Clay
Notary Public, State of Illinois
My Commission Expires 8/9/2015

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

James Adams
(Print or type name of Disclosing Party)

By: James Adams
(Sign here)

James Adams
(Print or type name of person signing)

N/A
(Print or type title of person signing)

Signed and sworn to before me on (date) 10/25/14,
at Cook County, Illinois (state).

Loretta Fields Notary Public.

Commission expires: 11/27/16.

OFFICIAL SEAL
LORETTA FIELDS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/27/16

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Yvonne Adams

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business/HOME address of the Disclosing Party: [redacted]

C. Telephone: [redacted] Fax: N/A Email: N/A

D. Name of contact person: N/A

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Adjacent Neighbors Land Acquisition Programs - 1141 N. St. Louis Ave

G. Which City agency or department is requesting this EDS? Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

N/A

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
N/A		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [x] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[X] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
None		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: **If the Matter is federally funded,** complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with 421 N. St. Louis Av. [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

YVONNE Adams
(Print or type legal name of Disclosing Party)

Date: 12/04/14

By:

Yvonne H. Adams
(sign here)

Print or type name of signatory:

Title of signatory:

Signed and sworn to before me on [date] 12/04/14, by Yvonne Adams, at Cook County, Illinois [state].

Notary Public.

Commission expires: 08/09/15.

"OFFICIAL SEAL"
Bernard M Clay
Notary Public, State of Illinois
My Commission Expires 8/9/2015

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Yvonne Adams
(Print or type name of Disclosing Party)

By: Yvonne H. Adams
(Sign here)

Yvonne Adams
(Print or type name of person signing)

N/A
(Print or type title of person signing)

Signed and sworn to before me on (date) 10/25/14,
at Cook County, Illinois (state).

Loretta Fields Notary Public.

Commission expires: 11/27/16.

OFFICIAL SEAL
LORETTA FIELDS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/27/16

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

James Adams

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business/HOME address of the Disclosing Party: 419 N. St. Louis Ave.
Chicago, IL 60624

C. Telephone: (773)533-5686 Fax: N/A Email: N/A

D. Name of contact person: N/A

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Adjacent Neighbors Land Acquisition Programs 419 N. St. Louis Ave.

G. Which City agency or department is requesting this EDS? Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

N/A

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
N/A		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[X] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
None		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with 421 North St. Louis Av. [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

James Adams
(Print or type legal name of Disclosing Party)

Date: 12/04/14

By:
James A. Adams
(sign here)

Print or type name of signatory:

Title of signatory:

Signed and sworn to before me on [date] 12/04/14, by James Adams, at Cook County, Illinois [state].

Notary Public.

Commission expires: 03/09/15.

"OFFICIAL SEAL"
Bernard M Clay
Notary Public, State of Illinois
My Commission Expires 8/9/2016

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

James Adams
(Print or type name of Disclosing Party)

By: James Adams
(Sign here)

James Adams
(Print or type name of person signing)

N/A
(Print or type title of person signing)

Signed and sworn to before me on (date) 10/25/14,
at Cook County, Illinois (state).

Loretta Fields Notary Public.

Commission expires: 11/27/16.

OFFICIAL SEAL
LORETTA FIELDS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES.11/27/16

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Yvonne Adams

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business/HOME address of the Disclosing Party: 419 N. St. Louis Ave.
Chicago, IL 60624

C. Telephone: (773)533-5686 Fax: N/A Email: N/A

D. Name of contact person: N/A

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Adjacent Neighbors Land Acquisition Programs - 1411 N. St Louis Ave

G. Which City agency or department is requesting this EDS? Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # N/A

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

N/A

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
N/A		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[x] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [x] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[X] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
None		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with 421 N. St. Louis Av. [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

YVONNE Adams
(Print or type legal name of Disclosing Party)

Date: 12/04/14

By:

Yvonne H. Adams
(sign here)

Print or type name of signatory:

_____

Title of signatory:

_____

Signed and sworn to before me on [date] 12/04/14, by Yvonne Adams, at Cook County, Illinois [state].

Notary Public.

Commission expires: 03/09/15.

"OFFICIAL SEAL"
Bernard M Clay
Notary Public, State of Illinois
My Commission Expires 3/9/2015

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Yvonne Adams
(Print or type name of Disclosing Party)

By: Yvonne H. Adams
(Sign here)

Yvonne Adams
(Print or type name of person signing)

N/A
(Print or type title of person signing)

Signed and sworn to before me on (date) 10/25/14,
at Cook County, Illinois (state).

Loretta Fields Notary Public.

Commission expires: 11/27/16.

OFFICIAL SEAL
LORETTA FIELDS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/27/16

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

City of Chicago

O2015-144

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 1346 W Erie St to 1806 W. Belmont LLC
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City is the owner of the vacant parcel of property located at 1346 W. Erie Street, Chicago, Illinois, which is legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, public notice advertising the City's intent to sell the Property appeared in the *Chicago Sun-Times*, a newspaper of general circulation, on June 13, 20, and 27, 2014 at a listing price of Two Hundred Ten Thousand and No/100 Dollars ($210,000), which exceeded the Property's appraised fair market value of One Hundred Seventy-Five Thousand and No/100 Dollars ($175,000); and

WHEREAS, no responsive bids were received; and

WHEREAS, public notice advertising the City's intent to sell the Property appeared in the *Chicago Sun-Times*, a newspaper of general circulation, on September 25, October 2 and October 9, 2014 at a listing price of One Hundred Seventy-Five Thousand and No/100 Dollars ($175,000), such amount being the aforementioned appraised fair market value of the Property; and

WHEREAS, two responsive bids were received; and

WHEREAS, the higher of the two responsive bids was submitted by 1806 W. Belmont LLC, an Illinois limited liability company with a principal business address of 27W145 Galusha Avenue, Warrenville, Illinois 60655 (the "Grantee"), in the amount of One Hundred Eighty Thousand and No/100 Dollars ($180,000), such amount being greater than the aforementioned appraised fair market value of the Property; and

WHEREAS, pursuant to Resolution No. 14-117-21 adopted on December 18, 2014, by the Plan Commission of the City (the "Commission"), the Commission recommended the City through its Department of Planning and Development ("DPD") enter into a negotiated sale with the Grantee for the purchase of the Property; and

WHEREAS, the Property was marketed by the City's real estate broker, CBRE, pursuant to the terms of its master consulting agreement, with the transaction subject to a three percent (3%) brokerage commission fee; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The City Council of the City hereby approves the sale of the Property to the Grantee for the amount of One Hundred Eighty Thousand and No/100 Dollars ($180,000.00).

SECTION 2. The Commissioner of DPD ("Commissioner") or a designee of the Commissioner is authorized to execute any ancillary closing documents on behalf of the City.

SECTION 3. The Mayor or his proxy is authorized to execute, and the City Clerk or

Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to the Grantee.

SECTION 4. The transfer of title to the Property to the Grantee must close on or before 120 days from the publication of this ordinance (the "Outside Closing Date"), unless DPD, in its sole discretion extends such Outside Closing Date. If the closing does not occur by the Outside Closing Date, this ordinance shall be null and void and the Grantee shall forfeit the Ten Thousand and No/100 Dollars ($10,000) good faith purchase deposit tendered concurrently with Grantee's bid.

SECTION 5. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 6. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Purchaser:	1806 W. Belmont LLC
Purchaser's Address:	27W145 Galusha Road, Warrenville, IL 60555
Purchase Amount:	$180,000
Appraised Value:	$175,000

Legal Description (Subject to Title Commitment and Survey):

Lot 43 in the subdivision of that part of Block 2 lying north of Erie Street in Assessor's division of the East ½ of the Northwest ¼ of Section 8, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Address:	1346 W. Erie Street Chicago, Illinois 60642
Property Index Number:	17-08-114-089-0000

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

1806 W. BELMONT LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 27W145 GALUSHA AVE
WARRENVILLE IL 60555

C. Telephone: 630 772 9927 Fax: N/A Email: JASON@HARVESTFOOD GROUP.com

D. Name of contact person: JASON ECKERT

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

VACANT LAND AT 1346 ERIE, CHICAGO

G. Which City agency or department is requesting this EDS? DEPARTMENT OF PLANNING AND DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JASON ECKERT	MEMBER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Jason Eckert	27W145 GALENA AVE WARRENVILLE IL 60555	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes ~~[X] No~~

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [ ] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No N/A

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

1806 W. Belmont LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Jason E Eckert
(Print or type name of person signing)

Manager
(Print or type title of person signing)

Signed and sworn to before me on (date) January 13, 2015
at DuPage County, Illinois (state).

_____ Notary Public.

Commission expires: March 7, 2017.

OFFICIAL SEAL
WHITNEY E CIMAGLIA-VOELKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:03/07/17

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

1806 W. BELMONT LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 27W145 GALUSHA AVE
WARRENVILLE IL 60555

C. Telephone: 630 772 9927 Fax: N/A Email: JASON@HARVESTFOODGROUP.com

D. Name of contact person: JASON ECKERT

E. Federal Employer Identification No. (if you have one): 46-3488429

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

VACANT LAND AT 1346 ERIE, CHICAGO

G. Which City agency or department is requesting this EDS? DEPARTMENT OF PLANNING AND DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JASON ECKERT	MEMBER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Jason Eckert	27W145 GALENA AVE WARRENVILLE IL 60555	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes ~~[X] No~~

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No N/A

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. : The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

1806 W. Belmont LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Jason E Eckert
(Print or type name of person signing)

Manager
(Print or type title of person signing)

Signed and sworn to before me on (date) January 13, 2015
at DuPage County, Illinois (state).

Whitney E Cimaglia-Voelker Notary Public.

Commission expires: March 7, 2017.

OFFICIAL SEAL
WHITNEY E CIMAGLIA-VOELKER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:03/07/17

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

City of Chicago

O2015-155

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 1433 S Kedzie Ave to Henry L. Washington, Jr.
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City is the owner of the vacant parcels located at 1433 South Kedzie Avenue and 3148 West 15th Street, Chicago, Illinois, which are legally described on Exhibit A attached hereto (collectively, the "Property"); and

WHEREAS, Henry L. Washington Jr. (the "Grantee") of 4456 South Vincennes Avenue, Chicago, Illinois 60653, has offered to purchase the Property from the City for the sum of Thirty-Three Thousand and No/100 Dollars ($33,000.00), such amount being the appraised fair market value of the Property, to improve with landscaped open space thereon; and

WHEREAS, pursuant to Resolution No. 14-102-21 adopted on November 20, 2014, by the Plan Commission of the City of Chicago (the "Commission"), the Commission approved the negotiated sale of the Property to the Grantee; and

WHEREAS, public notice advertising the City's intent to enter into a negotiated sale of the Property with the Grantee and requesting alternative proposals appeared in the *Chicago Sun-Times*, a newspaper of general circulation, on December 4 and 11, 2014; and

WHEREAS, no alternative proposals were received by the deadline indicated in the aforesaid notice; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The City Council of the City hereby approves the sale of the Property to the Grantee for the amount of Thirty-Three Thousand and No/100 Dollars ($33,000.00).

SECTION 2. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to the Grantee. The quitclaim deed shall contain language substantially in the following form:

This conveyance is subject to the express condition that the Property is improved with landscaped open space within six (6) months of the date of this deed. In the event that the condition is not met, the City of Chicago may re-enter the Property and revest title in the City of Chicago. Grantee, at the request of the City of Chicago, covenants to execute and deliver to the City of Chicago a reconveyance deed to the Property to further evidence such revesting of title.

SECTION 3. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Purchaser:	**Henry L. Washington, Jr.**
Purchaser's Address:	4456 South Vincennes Avenue, Chicago, Illinois 60653
Purchase Amount:	$33,000.00
Appraised Value:	$33,000.00

Legal Description (Subject to Title Commitment and Survey):

Parcel 1: The South 52 feet of Lots 28, 29, 30 and 31, in Block 2 in Douglas Park Addition to Chicago, in the Northwest quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Address:	1433 South Kedzie Avenue Chicago, Illinois 60623
Property Index Number:	16-24-104-010-0000

Parcel 2: Lot 27 in Block 2 in Douglas Park Addition to Chicago, in the Northwest quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Address:	3148 West 15th Street Chicago, Illinois 60623
Property Index Number:	16-24-104-011-0000

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Henry L. Washington Jr

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [✓] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. ~~Business~~ Home address of the Disclosing Party: _____

C. Telephone: _____ Email: _____

D. Name of contact person: Henry Washington

E. Federal Employer Identification No. (if you have one): NA

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

1433 S. Kedzie, 3148 W. 15th street

G. Which City agency or department is requesting this EDS? Dept of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

NA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
NA	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
N/A		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NA

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [✓] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[X] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: **If the Matter is federally funded,** complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 . If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Henry L Washington JR
(Print or type name of Disclosing Party)

By: _____
(Sign here)

HENRY L. WASHINGTON JR
(Print or type name of person signing)

_____
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec 2, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Henry L. Washington Jr

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. ~~Business~~ Home address of the Disclosing Party: 4456 S. Vincennes
Chicago, IL 60653

C. Telephone: 773-858-2458 Fax: 866-676-8635 Email: SUB22906@msn.com

D. Name of contact person: Henry Washington

E. Federal Employer Identification No. (if you have one): NA

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

1433 S. Kedzie, 3148 W. 15th street

G. Which City agency or department is requesting this EDS? Dept of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[✓] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

NA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title

NA

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
N/A		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NA

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[X] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: **If the Matter is federally funded,** complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 . If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Henry L Washington JR
(Print or type name of Disclosing Party)

By: _____
(Sign here)

HENRY L. Washington JR
(Print or type name of person signing)

_____
(Print or type title of person signing)

Signed and sworn to before me on (date) Dec 2, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/08/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

City of Chicago

O2015-220

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 1604 S Pulaski Rd. to Louise Harper
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City is the owner of the vacant parcel of property located at 1604 South Pulaski Road, Chicago, Illinois, which is legally described on Exhibit A attached hereto (the "Property"), which Property is located in the Midwest Redevelopment Project Area ("Area") established pursuant to ordinances adopted by the City Council of the City ("City Council") on May 17, 2000, and published in the Journal of Proceedings of the City Council for such date at pages 30775 through 30953; and

WHEREAS, Louise Harper ("Grantee"), of 1600 South Pulaski Road, Chicago, Illinois 60623, has offered to purchase the Property from the City for the sum of Three Thousand Five Hundred and No/100 Dollars ($3,500.00), such amount being Five Hundred Dollars above the appraised fair market value of the Property with an open space in perpetuity deed restriction, to improve with landscaped open space thereon; and

WHEREAS, public notice advertising the City's intent to enter into a negotiated sale of the Property with the Grantee and requesting alternative proposals appeared in the *Chicago Sun-Times*, a newspaper of general circulation, on November 3, and November 10, 2014; and

WHEREAS, no alternative proposals were received by the deadline indicated in the aforesaid notice; and

WHEREAS, pursuant to Resolution No. 15-004-21 adopted on January 15, 2015 by the Plan Commission of the City (the "Commission"), the Commission approved the negotiated sale of the Property to the Grantee; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The City Council hereby approves the sale of the Property to the Grantee for the amount of Three Thousand Five Hundred and No/100 Dollars ($3,500.00).

SECTION 2. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to the Grantee. Such deed shall include a covenant obligating the Grantee to use the Property only for use consistent with the land uses permitted under the redevelopment plan for the Area. Grantee's acceptance of the City's deed shall constitute Grantee's agreement to such covenant. The quitclaim deed shall also contain language substantially in the following form:

> This conveyance is subject to the express conditions that: 1) a landscaped open space is constructed on the Property within twelve (12) months of the date of this deed; and 2) the Property is used as an Open Space in Perpetuity.
>
> In the event that the conditions are not met, the City of Chicago may re-enter the Property and revest title in the City of Chicago. Grantee, at the request of the City of Chicago, covenants to execute and deliver to the City a reconveyance deed to the Property to further evidence such revesting of title.

This right of reverter and re-entry in favor of the City of Chicago shall terminate forty (40) years from the date of this deed.

SECTION 3. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Purchaser:	Louise Harper
Purchasers' Address:	1600 South Pulaski Road, Chicago Illinois 60623
Purchase Amount:	$3,500.00
Appraised Value in Perpetuity:	$3,000.00

Legal Description (Subject to Title Commitment and Survey):

Lot 2 in Joseph C. Cermak's Subdivision of Lots 1, 2, 3 and $ in Block 1 in Reyel and Loeffler's addition to Chicago a Subdivision of 1 in Superior Court Partition of the Southeast ¼ of Section 22, Township 39 North, Range 13 East of the Third Principal Meridian, According to the Plat Thereof recorded February 23, 1907 as Document 3994216 in Book 94 of Plats Page 16 in Cook County, Illinois.

Address:	1604 South Pulaski Road Chicago, Illinois 60623
Property Index Number:	16-22-407-009-0000

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Louise Harper

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. ~~Business~~ Home address of the Disclosing Party: _____

C. Telephone: _____ Fax: NA Email: NA

D. Name of contact person: Louise Harper

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Vacant Lot 1604 South Pulaski Road

G. Which City agency or department is requesting this EDS? Department of Housing and Economic Development - City of Chicago

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

NA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY: N/A

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
NA	NA

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NA		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

NA

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

NA

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
NA			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement? NA

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

N/A

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Louise Harper
(Print or type name of Disclosing Party)

By: X Louise Harper
(Sign here)

Louise Harper
(Print or type name of person signing)

OWNER
(Print or type title of person signing)

Signed and sworn to before me on (date) January 9, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Louise Harper

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. ~~Business~~ Home address of the Disclosing Party: 1600 S Pulaski Road
Chicago IL 60623

C. Telephone: 773-522-5500 Fax: NA Email: NA

D. Name of contact person: Louise Harper

E. Federal Employer Identification No. (if you have one): 327-38-4837

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Vacant Lot 1600 South Pulaski Road

G. Which City agency or department is requesting this EDS? Department of Housing and Economic Development - City of Chicago

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

NA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY: N/A

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
NA	NA

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NA		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

NA

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

NA

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
NA			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement? NA

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

N/A

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Louise Harper
(Print or type name of Disclosing Party)

By: X Louise Harper
(Sign here)

Louise Harper
(Print or type name of person signing)

OWNER
(Print or type title of person signing)

Signed and sworn to before me on (date) January 9, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

City of Chicago

O2015-234

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 1944 W Crystal St to 1944 W. Crystal Partners LLC
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City is the owner of the vacant parcel of property located at 1944 W. Crystal Street, Chicago, Illinois, which is legally described on Exhibit A attached hereto (the "Property"); and

WHEREAS, public notice advertising the City's intent to sell the Property appeared in the *Chicago Sun-Times*, a newspaper of general circulation, on June 13, 20, and 27, 2014 at a listing price of Six Hundred Thirty Thousand and No/100 Dollars ($630,000), which exceeded the Property's appraised fair market value of Five Hundred Twenty-Five Thousand and No/100 Dollars ($525,000); and

WHEREAS, the City received multiple responsive bids for the Property; and

WHEREAS, the highest responsive bid was submitted by 1944 W. Crystal Partners LLC, an Illinois limited liability company with a principal business address of 2010 W. Fulton Street, Chicago, Illinois 60612 (the "Grantee"), in the amount of Six Hundred Five Thousand and No/100 ($605,000), such amount being greater than the aforementioned appraised fair market value of the Property; and

WHEREAS, pursuant to Resolution No. 14-116-21 adopted on December 18, 2014, by the Plan Commission of the City (the "Commission"), the Commission recommended that the City through its Department of Planning and Development ("DPD") enter into a negotiated sale with the Grantee for the purchase of the Property; and

WHEREAS, the Property was marketed by the City's real estate broker, CBRE, pursuant to the terms of its master consulting agreement, with the transaction subject to a three percent (3%) brokerage commission fee; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The City Council of the City hereby approves the sale of the Property to the Grantee for the amount of Six Hundred Five Thousand and No/100 Dollars ($605,000.00).

SECTION 2. The Commissioner of DPD ("Commissioner") or a designee of the Commissioner is authorized to execute any ancillary closing documents on behalf of the City.

SECTION 3. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to the Grantee.

SECTION 4. The transfer of title to the Property to the Grantee must close on or before 120 days from the publication of this ordinance (the "Outside Closing Date"), unless DPD, in its sole discretion extends such Outside Closing Date. If the closing does not occur by the Outside Closing Date, this ordinance shall be null and void and the Grantee shall forfeit the Ten Thousand and No/100 Dollars ($10,000) good faith purchase deposit tendered concurrently with

Grantee's bid.

SECTION 5. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 6. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Purchaser:	1944 W. Crystal Partners LLC
Purchaser's Address:	2010 W. Fulton Street, Chicago Illinois 60612
Purchase Amount:	$605,000
Appraised Value:	$525,000

Legal Description (Subject to Title Commitment and Survey):

Lot 6 in Block 1 in Joseph Peacock's subdivision of the South 6 acres of the West 10 acres of the South 25 acres of the West ½ of the Northeast ¼ of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Address:	1944 W. Crystal Street Chicago, Illinois 60622
Property Index Number:	17-06-225-024-0000

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I – GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

1944 W. CRYSTAL PARTNERS LLC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 2010 W. FULTON #239
CHICAGO IL 60612

C. Telephone: 312-265-0894 Fax: 312-265-3958 Email: adubovik@abdevelops.com

D. Name of contact person: ALEKSANDRA DUBOVIK

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

PURCHASE OF PROPERTY LOCATED @ 1944 W. CRYSTAL CHICAGO IL 60622

G. Which City agency or department is requesting this EDS? DEPT. OF PLANNING & DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[✓] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [✓] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
ALEKSANDRA DUDZEVIK	MANAGING MEMBER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
ALEKSANDRA DUBOVIC.	2010 W FULLTON #239 CHICAGO IL 60612.	100 %

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [✓] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
ANDY OKORSACH	2235 W. NORTH AVE. CHICAGO IL 60647	R.E. AGENT	2.5% OF PURCHASE PRICE. OR $16,250 TO BE PAID

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [✓] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [✓] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [✓] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
NONE.		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI – CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

N.A.

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII – ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

1944 N. COASTAL PARTNERS LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

ANDRZEJ DUDZIAK
(Print or type name of person signing)

MANAGING MEMBER
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/9/2015,
at Cook County, IL (state).

_____ Notary Public.

Commission expires: 9/12/18.

OFFICIAL SEAL
LORI GORDON
Notary Public - State of Illinois
My Commission Expires Sep 12, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [✓] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I – GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

1944 W. CRYSTAL PARTNERS LLC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [Y] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 2010 W. FULTON #239
CHICAGO IL 60612

C. Telephone: 312-265-0894 Fax: 312-265-3955 Email: adubovik@dbdevelops.com

D. Name of contact person: ALEKSANDRA DUBOVIK

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

PURCHASE OF PROPERTY LOCATED @ 1944 W. CRYSTAL CHICAGO IL 60622

G. Which City agency or department is requesting this EDS? DEPT. OF PLANNING & DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[✓] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [✓] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
ALEKSANDRA DUBOVIK	MANAGING MEMBER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
ALEKSANDRA DUBOVIC	2010 N FULTON #239 CHICAGO IL 60612.	100 %

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [✓] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
ANDY O'GORMAN	2235 W. NORTH AVE. CHICAGO IL 60647	R.E. AGENT	2.5% OF PURCHASE PRICE. OR $16,250 TO BE PAID

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [✓] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [✓] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
NONE.		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI – CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None.

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

N.A.

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII – ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

1944 N. CENTRAL PARTNERS LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

ANDRZEJ OLSZEWSKI
(Print or type name of person signing)

MANAGING MEMBER
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/9/2015,
at COOK County, IL (state).

_____ Notary Public.

Commission expires: 9/12/18.

OFFICIAL SEAL
LORI GORDON
Notary Public - State of Illinois
My Commission Expires Sep 12, 2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [✓] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

City of Chicago

O2015-248

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 2600 W Madison St to JIH West, LLC
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City is the owner of the parcel of property located at 2600 W. Madison Street (rear), Chicago, Illinois (the "City Property"), which City Property is located in the Midwest Redevelopment Project Area established pursuant to ordinances adopted by the City Council of the City (the "City Council") on May 17, 2000, and published in the Journal of Proceedings of the City Council (the "Journal") for such date at pages 30775 through 30953, and amended pursuant to ordinance adopted by the City Council on May 9, 2012, and published in the Journal for such date at pages 25884 through 26069; and

WHEREAS, JIH West, LLC, an Illinois limited liability company ("JIH West"), with its principal place of business at 1350 W. Madison Street, Chicago, IL 60607, is the owner of real property located at 2600 W. Madison Street (front), Chicago, Illinois ("JIH West Property"), upon which Johnny's Ice House West, an indoor ice hockey arena (the "Building") sits; and

WHEREAS, the JIH West Property is located adjacent to the City Property; and

WHEREAS, due to a JIH West's architect's error and without the City's consent, JIH West constructed the Building upon a 67 foot portion ("Encroachment") of the City Property, as legally described on **Exhibit A** attached hereto, and as shown in the ALTA survey ("Survey"), attached hereto as **Exhibit B**; and

WHEREAS, JIH West, LLC has offered to purchase the Encroachment area from the City for the sum of One Hundred and Eighty-Five and No/100 Dollars ($185.00), in an effort to correct the aforementioned encroachment; and

WHEREAS, pursuant to Resolution No. 14-114-21 adopted on December 18, 2014, by the Plan Commission of the City of Chicago (the "Commission"), the Commission recommended to the City Council the approval of the negotiated sale of the Encroachment to JIH West; and

WHEREAS, public notice advertising the City's intent to enter into a negotiated sale of the Encroachment with JIH West and requesting alternative proposals appeared in the *Chicago Sun-Times*, a newspaper of general circulation, on December 24 and December 31, 2014, and January 7, 2015; and

WHEREAS, no alternative proposals were received by the deadline indicated in the aforesaid notice; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The City Council of the City of Chicago hereby approves the sale of the Encroachment as detailed on the Survey, **Exhibit B**, to JIH West for: (1) the amount of One Hundred Eighty-Five and No/100 Dollars ($185.00); and (2) an additional Three Hundred Twenty-Eight and 80/100 Dollars ($328.80) for the public notice advertising, all for a total amount of Five Hundred Thirteen and 80/100 Dollars ($513.80).

SECTION 2. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to the Grantee.

SECTION 3. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Legal Description of Encroachment
(Subject to Title Commitment and Survey)

That part of the Subdivision of Lots 26 to 39, inclusive, of Pollock's Subdivision of 4 acres in the South Half of the Southeast Quarter of Section 12, Township 39 North, Range 13 East of the Third Principal Meridian, and Lots 3 to 6, inclusive of Half Acre in said Southeast Quarter, and also Lots 66 and 67 and the West 8 feet of Lot 65 and 68, and vacated alley between said Lots, in C.G.E. Prussings Subdivision of Southwest Block of 33.81 acres in the South Half of the Southeast Quarter of said Section 12, according to the plat thereof recorded December 27, 1888 as Document number 1044597, described as follows:

Beginning at the Southwest corner of Lot A in said Subdivision; thence North 0 degrees 16 minutes 34 seconds West along the West line of said Subdivision 142.23 feet to the South line of the North 125 feet of said Lot A; thence South 89 degrees 56 minutes 33 seconds East, along said South line, 43.88 feet to the East line of the West 43.88 feet of said Lot A, and the Point of Beginning; thence continuing South 89 degrees 56 minutes 33 seconds East, along said South line, 4.16 feet; thence South 0 degrees 16 minutes 34 seconds East 16.09 feet to the South line of a vacated alley; thence North 89 degrees 58 minutes 17 seconds West along the South line of said vacated alley, 4.16 feet to the East line of the West 43.88 feet of said Lot A; thence North 0 degrees 16 minutes 34 seconds West along the East line of the West 43.88 feet of said Lot A, 16.09 feet to the Point of Beginning, in Cook County, Illinois.

Said parcel containing 67 square feet more or less.

P.I.N.: 16-12-427-071-0000 (Part)

Commonly known as: 2600 W. Madison Street, Chicago, Illinois 60612

EXHIBIT B

ALTA Survey

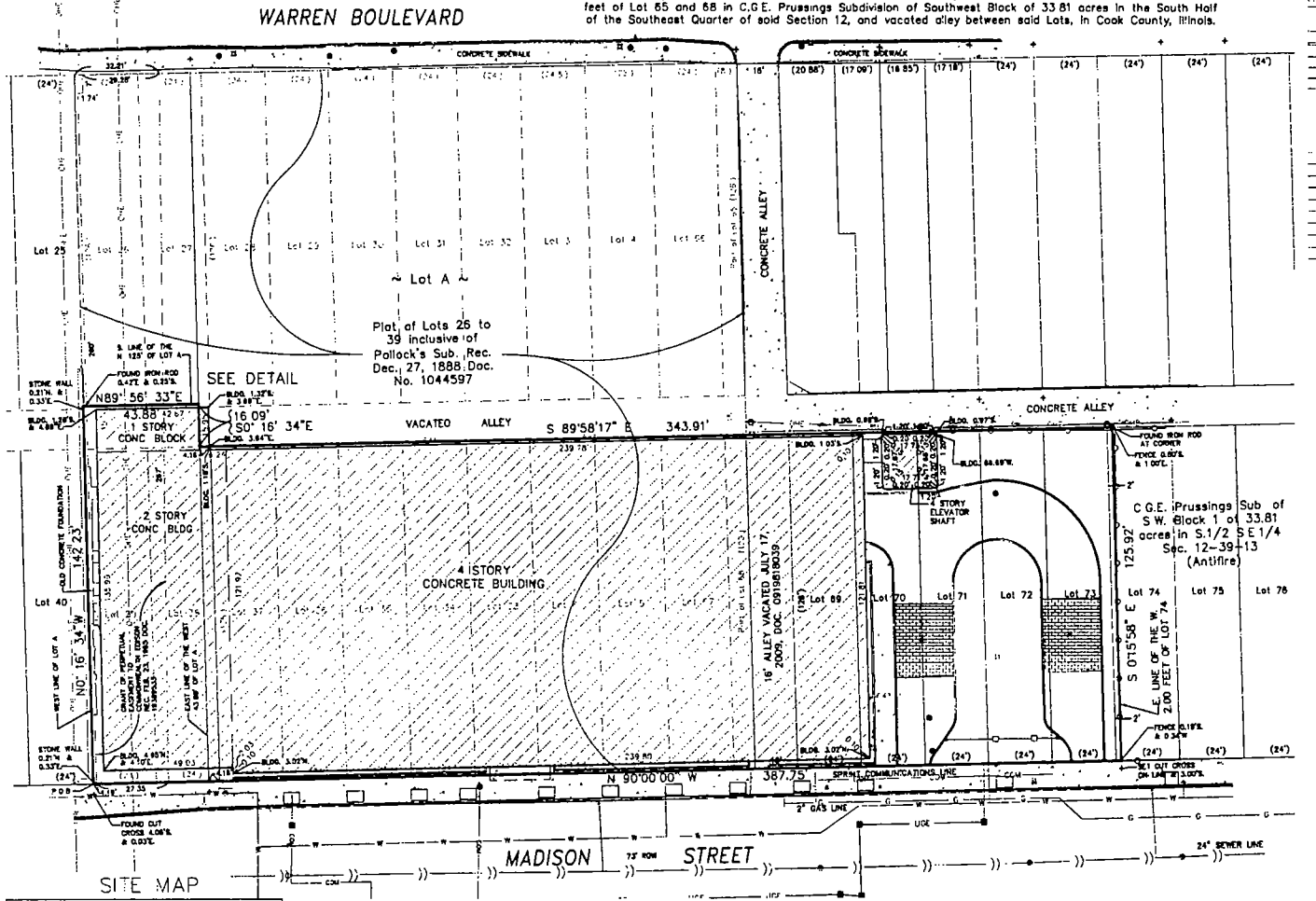
[Attached]

EXHIBIT B

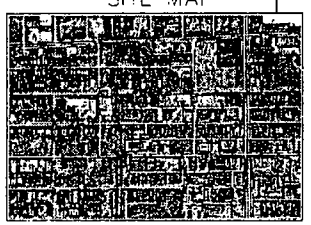
ALTA/ACSM LAND TITLE SURVEY

OF

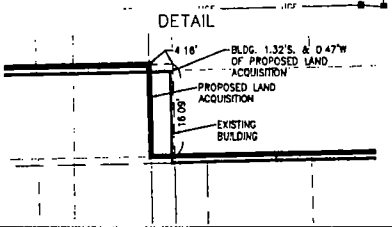
Part of the Subdivision of Lots 26 to 39, inclusive, of Pollock's Subdivision of 4 acres in the South Half of the Southeast Quarter of Section 12, Township 39 North, Range 13 East of the Third Principal Meridian, and Lots 3 to 6, inclusive of Half Acre in said Southeast Quarter, and also Lots 66 and 67 and the West 8 feet of Lot 65 and 68 in C.G.E. Prussings Subdivision of Southwest Block of 33.81 acres in the South Half of the Southeast Quarter of said Section 12, and vacated alley between said Lots, in Cook County, Illinois.



SITE MAP



DETAIL



LEGEND AND ABBREVIATIONS

PROPERTY LINE
BUILDING
CONCRETE
ASPHALT
DEPRESSED CURB
CHAIN LINK FENCE
IRON FENCE
WOOD FENCE
GUARDRAIL
FOUND PK NAIL
FOUND REBAR
SET MAG NAIL
SET/FOUND CUT CROSS
COMBINATION SEWER
SANITARY SEWER
STORM SEWER
WATER LINE
GAS LINE
COMMUNICATION LINE
SBC COMMUNICATION LINE
TELEPHONE LINE
OVERHEAD WIRE LINE
UNDERGROUND ELECTRIC
MANHOLE
WATER MANHOLE
ELECTRIC MANHOLE
TELEPHONE MANHOLE
CURB INLET
CATCH BASIN
AREA DRAIN
POWER POLE W/GUY WIRE
UTILITY POLE
LIGHT POLE
FIRE HYDRANT
GAS VALVE
GAS METER
ELECTRIC METER
BUFFALO BOX
WATER VALVE
POST
SIGN
BOLLARD
SPRINKLER
CLEANOUT

GRAPHIC SCALE

(IN FEET)
1 inch = 20 ft.

~ LEGAL DESCRIPTION ~

That part of the Subdivision of Lots 26 to 39, inclusive, of Pollock's Subdivision of 4 acres in the South Half of the Southeast Quarter of Section 12, Township 39 North, Range 13 East of the Third Principal Meridian, and Lots 3 to 6, inclusive of Half Acre in said Southeast Quarter, and also Lots 66 and 67 and the West 8 feet of Lot 65 and 68 in C.G.E. Prussings Subdivision of Southwest Block of 33.81 acres in the South Half of the Southeast Quarter of said Section 12, and vacated alley between said Lots, AND ALSO part of Lots 89 through 74 in C.G.E. Prussings Subdivision of the Southwest Block of 33.81 acres in the South Half of the Southeast Quarter of said Section 12, described as follows:

Beginning at the Southeast corner of Lot A in said Subdivision; thence North 0 degrees 16 minutes 34 seconds West along the West line of said Subdivision 142.23 feet to the South line of the North 125 feet of said Lot A, thence North 89 degree 56 minutes 33 seconds East, along said South line, 43.88 feet to the East line of the West 43.88 feet of said Lot A, thence South 0 degrees 16 minutes 34 seconds East, along said East line, 16.09 feet to the South line of said Vacated Alley; thence South 89 degree 58 minutes 17 seconds East along the South line of said Vacated Alley, and the South line of the existing alley in said C.G.E. Prussings Subdivision 343.91 feet to the East line of the West 2.00 feet of Lot 74 in said C.G.E. Prussings Subdivision; Thence South 0 degrees 15 minutes 58 seconds East along the East line of the West 2.00 feet of said Lot 74, a distance of 125.92 feet to the South line of said Lot 74, thence North 90 degrees 00 minutes 00 seconds West along the South line of said Subdivisions 387.75 feet to the Point of Beginning, in Cook County, Illinois.

Said parcel containing 1.138 acres (49,572 square feet) more or less.

To Chicago Title Insurance Company, and ThePrivateBank and Trust Company:

This is to certify that the map or plat and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 2, 3, 4, 7(a), 8, 9, 11(a), and 19 of Table A thereof. The field work was completed on August 27, 2014.

Date: August 28, 2014

THOMAS E. BAUMGARTNER, ILLINOIS LAND SURVEYOR NO 3142
LICENSE EXPIRATION 11-30-2014

I FURTHER STATE that all of the above described property falls within Zone X, areas determined to be outside the 0.2% annual chance floodplain, on the FEMA Flood Insurance Rate Map Panel 415 of 832, Cook County, Illinois, Map Revised August 19, 2008, Map Number 17031C0415J.

I FURTHER STATE that I have made no independent search of the records for easements, encumbrances, ownership, or any other facts which an accurate and current title search may disclose as a part of this survey, but have relied upon the information supplied to me by the owner's representative. I also state that a current Title Commitment from Chicago Title Insurance Company, Order no 1401 0068753112-D2 was furnished as a part of this survey.

I FURTHER STATE that there were no apparent or marked wetlands on the above described property.

BASIS OF BEARINGS
Bearings are based on the North Line of Madison Street which is assumed to bear N 90°00'00" W

ADDRESS: 2550 W Madison, Chicago, Illinois, 60612

SCHEDULE B

9, 10 & 12 all pertain to Easement rights reserved for the toe of the footing, the embankment, and access, maintenance and protection of the existing Buttress Wall along the railroad right of way on the west line of the above described property. Rec Jan 30, 1957 Doc. 18813784.

11. Grant of Perpetual Easement Rec. Feb 23, 1955 as Doc. 19369533 is graphically plotted on plat

I FURTHER STATE that the accompanying plat is a scaled representation of the physical situation which I found in the field and shows the location of visible evidence of utilities which I found at the time of my survey of these premises, and underground based on supplied plans. No attempt has been made as part of this survey to excavate, uncover or expose these facilities to field check the existence, size, depth, condition, capacity or exact location of these facilities. For more information concerning these utilities, please contact the appropriate public agencies or utility company.

Revisions	
DATE	ISSUE
8/28/14	ISSUE

TERRA ENGINEERING LTD.
225 W Ohio Street, 4th Floor, Chicago IL 60654
TEL (312) 467-0123
FAX (312) 467-0220
www.terraengineering.com

Project Information

PROJECT NO	13-232
DRAWN	J R
DESIGN	T B.
CHECKED	T B

PLAT OF SURVEY
JOHNNY'S ICE HOUSE WEST

CLIENT
Kathleen Duncan
Schuyler Roche & Crisham P.C.

1-1

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

JIH West, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1350 W. Madison St.
Chicago, IL 60607

C. Telephone: 312-226-5555 Fax: _____ Email: tom@johnnysicehouse.com

D. Name of contact person: Thomas Moro

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Application for Negotiated Sale for 67 square foot encroachment on City property to correct error.

G. Which City agency or department is requesting this EDS? DPD

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[x] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois.

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Thomas Moro	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Thomas Moro, 1350 W. Madison St., Chicago, IL 60607		100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
John J. George	Two Prudential Plaza	Attorney	Est. $1,000.00
	180 N. Stetson Ave., Ste 3700		
	Chicago, IL 60601		

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [x] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:
N/A

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

JIH West, LLC
(Print or type name of Disclosing Party)

By: Thos A. Moro
(Sign here)

Thomas Moro
(Print or type name of person signing)

Manager
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/15/15,
at Cook County, Illinois (state).

Debra A. Flanagan Notary Public.

Commission expires: 8/21/16.

OFFICIAL SEAL
DEBRA A. FLANAGAN
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 08/21/2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

JIH West, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [x] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1350 W. Madison St.
Chicago, IL 60607

C. Telephone: 312-226-5555 Fax: _____ Email: tom@johnnysicehouse.com

D. Name of contact person: Thomas Moro

E. Federal Employer Identification No. (if you have one): 26-2375874

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Application for Negotiated Sale for 67 square foot encroachment on City property to correct error.

G. Which City agency or department is requesting this EDS? DPD

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[x] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois.

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Thomas Moro	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Thomas Moro, 1350 W. Madison St., Chicago, IL 60607		100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
John J. George	Two Prudential Plaza	Attorney	Est. $1,000.00
	180 N. Stetson Ave., Ste 3700		
	Chicago, IL 60601		

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [x] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [x] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:
N/A

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

JIH West, LLC
(Print or type name of Disclosing Party)

By: Thos A. Moro
(Sign here)

Thomas Moro
(Print or type name of person signing)

Manager
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/15/15,
at Cook County, Illinois (state).

Debra A Flanagan Notary Public.

Commission expires: 8/21/16.

OFFICIAL SEAL
DEBRA A. FLANAGAN
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 08/21/2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

City of Chicago

O2015-421

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 3832 W Jackson Blvd to Norman C. and Deloris C. Williams under Adjacent Neighbors Land Acquisition Program
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City, through the foreclosure of demolition liens, tax sales and other methods of acquisition, has acquired title to numerous parcels of real property which are of minimal value and costly to clean up and maintain, and because title to such properties was vested in the City, the properties were exempted from real estate taxes, thus depriving the City of revenue; and

WHEREAS, pursuant to an ordinance (the "Original Program Ordinance") adopted by the City Council of the City ("City Council") on March 6, 1981 and published on pages 5584 - 5585 of the Journal of Proceedings of the City Council ("Journal") for such date, the City established a program for the disposition of certain vacant real property owned by the City known as the Adjacent Neighbors Land Acquisition Program; and

WHEREAS, the Original Program Ordinance was amended by ordinances adopted on July 23, 1982 and published in the Journal for such date at pages 11830 - 11833, and on January 7, 1983 and published in the Journal for such date at pages 14803 - 14805 (the Original Program Ordinance and such two amending ordinances, collectively, the "Original ANLAP Ordinances"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on September 14, 1994 and published in the Journal for such date at pages 56195 - 56198, the City Council repealed the Original ANLAP Ordinances, and established a new program, also known as the Adjacent Neighbors Land Acquisition Program, for the disposition of certain vacant real property owned by the City, which ordinance was subsequently amended by ordinances adopted on September 4, 2002 and published in the Journal for such date at pages 92771 - 92773, and on July 28, 2010 and published in the Journal for such date at pages 97370 – 97374, and on June 25, 2014 and published in the Journal for such date at pages 83533 - 83535 (such new program, as amended, the "ANLAP Program"); and

WHEREAS, pursuant to the ANLAP Program, as codified at Municipal Code Chapter 2-159-010 et seq. (the "ANLAP Program Ordinance"), a qualified City-owned parcel may be sold if it has an appraised value of not more than Fifty Thousand Dollars ($50,000); and

WHEREAS, pursuant to the current ANLAP Program, if the property appraises at or for less than Ten Thousand Dollars ($10,000.00) the minimum acceptable bid must be at least One Thousand Dollars ($1,000.00); if the property appraises at or for less than Twenty Thousand Dollars ($20,000.00) but more than Ten Thousand Dollars ($10,000.00) the minimum acceptable bid must be at least Two Thousand Dollars ($2,000.00); and if the property appraises for more than Twenty Thousand Dollars ($20,000.00) the minimum acceptable bid must be Two Thousand Dollars ($2,000.00), plus fifty percent (50%) of the appraised value which exceeds Twenty Thousand Dollars ($20,000.00); and

WHEREAS, pursuant to the ANLAP Program, an Adjacent Neighbor means a person who owns one parcel, or two or more contiguous parcels, or real property that is immediately

adjacent to a city-owned parcel and at least one of the parcels is an improved parcel which the person occupies as his primary residence; and

WHEREAS, pursuant to the ANLAP Program, any deed conveying a parcel pursuant thereto shall contain covenants which: (1) prohibit the grantee from conveying, assigning or otherwise transferring the parcel except in conjunction with the sale of the adjacent neighbor's parcel on which his primary residence is located; and (2) require that the parcel be improved with landscaped open space within six (6) months of the conveyance of such parcel and prohibit the construction of any permanent improvements on the parcel, excluding only improvements made by the grantee on the parcel that constitute an integrated addition to the grantee's primary residence on the adjacent lot, or a garage appurtenant thereto; and (3) require the grantee to maintain the parcel in accordance with the provisions of the Municipal Code of Chicago. The covenants shall terminate ten (10) years after the date of the conveyance of the parcel to the grantee; and

WHEREAS, the Department of Planning and Development ("DPD") of the City desires to convey the vacant parcel of real property identified on Exhibit A to this ordinance (the "ANLAP Parcel") to Norman C. Williams and Delores C. Williams (the "Purchasers"), who have a principal residence of 3828 W. Jackson Blvd., Chicago, Illinois 60624.

WHEREAS, Purchaser's proposal was the only proposal received by the deadline indicated in the aforesaid notice; and

WHEREAS, pursuant to Resolution Number 14-111-21 adopted on December 18, 2014, by the Plan Commission of the City of Chicago ("Commission"), the Commission approved the sale of the Property to the Purchaser; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The City hereby accepts the bid of the Purchaser to purchase the ANLAP Parcel, which purchase shall be subject to all of the terms, conditions, covenants and restrictions of the ANLAP Program and the ANLAP Program Ordinance.

SECTION 2. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the ANLAP Parcel to the Purchaser for the purchase price of One Thousand Five Hundred and 00/100 Dollars ($1,500.00). Such deed shall include a covenant obligating the Purchaser to use the ANLAP Parcel only for a use consistent with the land uses permitted under the redevelopment plan for the Area and consistent with the requirements of the ANLAP Program Ordinance.

SECTION 3. If any provision of this ordinance shall be held to be invalid or

unenforceable for any reason, the invalidity of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Bidder:	Norman C. Williams and Deloris C. Williams
Bidder Address:	3828 W. Jackson Blvd., Chicago, Illinois 60624
Appraised Value:	$2,000.00
Bid Amount:	$1,500.00

Legal Description (Subject to Title Commitment and Survey):

The East 7-1/2 feet of Lot 37 and the West 22-1/2 feet of Lot 38 in Block 8 in Lambert Tree's Subdivision of the West ½ of the Northwest ¼ of Section 14, Township 39 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois.

Address:	3832 W. Jackson Blvd. Chicago, Illinois 60624
Property Index Number:	16-14-107-021-0000

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Norman Clay Williams

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: _____ SW _____

C. Telephone: _____ Fax: N/A Email: N/A

D. Name of contact person: Same

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Adjacent Neighbors Land Acquisition Plan 3832 W Jackson Blvd

G. Which City agency or department is requesting this EDS? Dept of Planning + Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_N_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with 3832 W. Jackson Blvd. [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

NORMAN C WILLIAMS Date: 11-28-2014
(Print or type legal name of Disclosing Party)

By:

(sign here)

Print or type name of signatory:

Title of signatory:

Signed and sworn to before me on [date] November 28, 2014 by Norman C. Williams, at Cook County, Illinois [state].

Notary Public.

Commission expires: 10/30/2017.

OFFICIAL SEAL
SOOMYUNG CHOI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 05/30/17

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Norman Clay Williams
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Norman Clay Williams
(Print or type name of person signing)

_____
(Print or type title of person signing)

Signed and sworn to before me on (date) 4th November 2014
at Cook County, Illinois (state).

_____ Notary Public.

OFFICIAL SEAL
SOOMY[illegible]G CHOI
NOTARY PUB[illegible] STATE OF ILLINOIS
MY COMM[illegible] EXPIRES 06/30/17

Commission expires: 6/30/2017.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

DELORIS CARTER WILLIAMS

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: N/A
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: N/A

B. Business address of the Disclosing Party: [redacted]

C. Telephone: [redacted] Fax: N/A Email: [redacted]

D. Name of contact person: SELF

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

ADJACENT NEIGHBORS LAND ACQUISITION PROGRAM 3832 W JACKSON 60624

G. Which City agency or department is requesting this EDS? DEPT OF PLANNING + DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____ _____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name N/A Title

_____

_____

_____

_____

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[✓] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with 3832 W. Jackson Blv. [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Delois Carter Williams
(Print or type legal name of Disclosing Party)

Date: 11/28/14

By:

(sign here)

Print or type name of signatory:

Title of signatory:

Signed and sworn to before me on [date] November 28, 2014, by Delois Carter Williams at Cook County, Illinois [state].

Notary Public.

Commission expires: 6/30/2017.

OFFICIAL SEAL
SOOMYUNG CHOI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 06/30/17

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

DELORIS CARTER WILLIAMS
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DELORIS CARTER WILLIAMS
(Print or type name of person signing)

_____
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov. 4, 2014
at Cook County, IL (state).

_____ Notary Public.

"OFFICIAL SEAL"
MICHAEL LOCKE
Notary Public, State of Illinois
Cook County
My Commission Expires 5/25/2015

Commission expires: 5/25/15.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

NORMAN CLAY WILLIAMS

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 3828 W JACKSON
CHICAGO IL 60624

C. Telephone: 773 826 6035 Fax: N/A Email: N/A

D. Name of contact person: SAME

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

ADJACENT NEIGHBORS LAND ACQUISITION PILOT PLAN 3828 W JACKSON BLVD 16 14 107 021-0000

G. Which City agency or department is requesting this EDS? DEPT OF PLANNING & DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

__X__ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with 3832 W. Jackson Blvd. [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

NORMAN C WILLIAMS Date: 11-28-2014
(Print or type legal name of Disclosing Party)

By:

(sign here)

Print or type name of signatory:

Title of signatory:

Signed and sworn to before me on [date] November 28, 2014 by Norman C. Williams, at Cook County, Illinois [state].

Notary Public.

Commission expires: 06/30/2017.

OFFICIAL SEAL
SOOMYUNG CHOI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 06/30/17

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Norman Clay Williams
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Norman Clay Williams
(Print or type name of person signing)

_____
(Print or type title of person signing)

Signed and sworn to before me on (date) 4th November 2014
at Cook County, Illinois (state).

_____ Notary Public.

OFFICIAL SEAL
SOOMYUNG CHOI
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES 06/30/17

Commission expires: 6/30/2017.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

DELORIS CARTER WILLIAMS

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: N/A
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: N/A

B. Business address of the Disclosing Party: 3828 W Jackson
Chicago IL 60624

C. Telephone: 773 826 6235 Fax: N/A Email: DCarterWilliams@msn.com

D. Name of contact person: SELF

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): PIN# 16-14-107-021-0000
ADJACENT NEIGHBORS LAND ACQUISITION PLOT 3832 W JACKSON

G. Which City agency or department is requesting this EDS? Dept of Planning + Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____ _____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name N/A Title

_____

_____

_____

_____

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

_____

_____

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[✓] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with 3832 W. Jackson Blvd. [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Delois Carter Williams — Date: 11/28/14
(Print or type legal name of Disclosing Party)

By: _____
(sign here)

Print or type name of signatory:

_____

Title of signatory:

_____

Signed and sworn to before me on [date] November 28, 2014, by Delois Carter Williams at Cook County, Illinois [state].

_____ Notary Public.

Commission expires: 6/30/2017.

OFFICIAL SEAL
SOOMYUNG CHOI
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 06/30/17

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

DELORIS CARTER WILLIAMS
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DELORIS CARTER WILLIAMS
(Print or type name of person signing)

_____
(Print or type title of person signing)

Signed and sworn to before me on (date) Nov. 4, 2014
at Cook County, IL (state).

_____ Notary Public.

"OFFICIAL SEAL"
MICHAEL LOCKE
Notary Public, State of Illinois
Cook County
My Commission Expires 5/25/2015

Commission expires: 5/25/15.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

City of Chicago

O2015-742

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 4513 S Forrestiville Ave to Jerry L. Weems and Sharon C. Weems under Adjacent Neighbors Land Acquisition Program
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City, through the foreclosure of demolition liens, tax sales and other methods of acquisition, has acquired title to numerous parcels of real property which are of minimal value and costly to clean up and maintain, and because title to such properties was vested in the City, the properties were exempted from real estate taxes, thus depriving the City of revenue; and

WHEREAS, pursuant to an ordinance (the "Original Program Ordinance") adopted by the City Council of the City ("City Council") on March 6, 1981 and published on pages 5584 - 5585 of the Journal of Proceedings of the City Council ("Journal") for such date, the City established a program for the disposition of certain vacant real property owned by the City known as the Adjacent Neighbors Land Acquisition Program; and

WHEREAS, the Original Program Ordinance was amended by ordinances adopted on July 23, 1982 and published in the Journal for such date at pages 11830 - 11833, and on January 7, 1983 and published in the Journal for such date at pages 14803 - 14805 (the Original Program Ordinance and such two amending ordinances, collectively, the "Original ANLAP Ordinances"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on September 14, 1994 and published in the Journal for such date at pages 56195 - 56198, the City Council repealed the Original ANLAP Ordinances, and established a new program, also known as the Adjacent Neighbors Land Acquisition Program, for the disposition of certain vacant real property owned by the City, which ordinance was subsequently amended by ordinances adopted on September 4, 2002 and published in the Journal for such date at pages 92771 - 92773, and on July 28, 2010 and published in the Journal for such date at pages 97370 – 97374, and on June 25, 2014 and published in the Journal for such date at pages 83533 - 83535 (such new program, as amended, the "ANLAP Program"); and

WHEREAS, pursuant to the ANLAP Program, as codified at Municipal Code Chapter 2-159-010 et seq. (the "ANLAP Program Ordinance"), a qualified City-owned parcel may be sold if it has an appraised value of not more than Fifty Thousand Dollars ($50,000); and

WHEREAS, pursuant to the current ANLAP Program, if the property appraises at or for less than Ten Thousand Dollars ($10,000.00) the minimum acceptable bid must be at least One Thousand Dollars ($1,000.00); if the property appraises at or for less than Twenty Thousand Dollars ($20,000.00) but more than Ten Thousand Dollars ($10,000.00) the minimum acceptable bid must be at least Two Thousand Dollars ($2,000.00); and if the property appraises for more than Twenty Thousand Dollars ($20,000.00) the minimum acceptable bid must be Two Thousand Dollars ($2,000.00), plus fifty percent (50%) of the appraised value which exceeds Twenty Thousand Dollars ($20,000.00); and

WHEREAS, pursuant to the ANLAP Program, an Adjacent Neighbor means a person who owns one parcel, or two or more contiguous parcels, or real property that is immediately

adjacent to a city-owned parcel and at least one of the parcels is an improved parcel which the person occupies as his primary residence; and

WHEREAS, pursuant to the ANLAP Program, any deed conveying a parcel pursuant thereto shall contain covenants which: (1) prohibit the grantee from conveying, assigning or otherwise transferring the parcel except in conjunction with the sale of the adjacent neighbor's parcel on which his primary residence is located; and (2) require that the parcel be improved with landscaped open space within six (6) months of the conveyance of such parcel and prohibit the construction of any permanent improvements on the parcel, excluding only improvements made by the grantee on the parcel that constitute an integrated addition to the grantee's primary residence on the adjacent lot, or a garage appurtenant thereto; and (3) require the grantee to maintain the parcel in accordance with the provisions of the Municipal Code of Chicago. The covenants shall terminate ten (10) years after the date of the conveyance of the parcel to the grantee; and

WHEREAS, the Department of Planning and Development ("DPD") of the City desires to convey the vacant parcel of real property identified on Exhibit A to this ordinance (the "ANLAP Parcel") to Jerry L. Weems and Sharon C. Weems (the "Purchasers"), who have a principal residence of 4511 S. Forrestville Avenue, Chicago, Illinois 60653, which ANLAP Parcel is located in the 47th/King Drive Redevelopment Area ("Area") established pursuant to ordinances adopted by the City Council on March 27, 2002 and published in the Journal of Proceedings of the City Council for such date at pages 81231 through 81472; and

WHEREAS, DPD has caused notice of the proposed sale of the ANLAP Parcel to be sent to all eligible adjacent neighbors (if any) and has also caused public notice advertising the City's intent to enter into the sale of the ANLAP Parcel to the Purchaser to be published in the *Chicago Sun-Times* on January 16, 2015; and

WHEREAS, Purchaser's proposal was the only proposal received by the deadline indicated in the aforesaid notice; and

WHEREAS, pursuant to Resolution Number 14-111-21 adopted on December 18, 2014, by the Plan Commission of the City of Chicago ("Commission"), the Commission approved the sale of the Property to the Purchaser; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The City hereby accepts the bid of the Purchaser to purchase the ANLAP Parcel, which purchase shall be subject to all of the terms, conditions, covenants and restrictions of the ANLAP Program and the ANLAP Program Ordinance.

SECTION 2. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the ANLAP Parcel to the Purchaser for the purchase price of Two Thousand and 00/100 Dollars ($2,000.00). Such deed shall include a covenant obligating the Purchaser to use the ANLAP Parcel only for a use consistent with the land uses permitted under the redevelopment plan for the Area and consistent with the requirements of the ANLAP Program Ordinance.

SECTION 3. If any provision of this ordinance shall be held to be invalid or

unenforceable for any reason, the invalidity of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Bidder:	Jerry L. Weems and Sharon C. Weems
Bidder Address:	4511 S. Forrestville Ave., Chicago, Illinois 60653
Bid Amount:	$2,000.00
Appraised Value:	$18,000.00

Legal Description (Subject to Title Commitment and Survey):

Lot 2 in Clark and Trainer's Resubdivision of the North 17 feet of Lot 6, all of Lot 5 and the South 21 feet of Lot 4 in Block 1 in John Wilson's Subdivision of the North 4 acres of Lot 1 in Cleaver and Taylor's Subdivision of the North ½ of the South ½ of the West ½ of the Southeast ¼ and the North ½ of the South ½ of the East ½ of the Southwest ¼ of Section 3, Township 38 North, Range 14, East of the Third Principal Meridian in Cook County, Illinois.

Address:	4513 S. Forrestville Avenue Chicago, Illinois 60653
Property Index Number:	20-03-417-006-0000

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SHARON C. WEEMS

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business/HOME address of the Disclosing Party: [redacted]

C. Telephone: [redacted] Fax: _____ Email: [redacted]

D. Name of contact person: Sharon Weems

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

ANLAP 4513 S. Forrestville

G. Which City agency or department is requesting this EDS? Dept. of Planning & Mngt

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following: N/A

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____ _____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
	N/A	

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
	N/A		

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____ _____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with ANLAP (4513 S. Forrestville) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

SHARON COLEMAN WEEMS Date: 12/2/14
(Print or type legal name of Disclosing Party)

By:

(sign here)

Print or type name of signatory:

Title of signatory:

Signed and sworn to before me on [date] 2nd, by December 2 2014, at Cook County, IL [state].

Notary Public.

Commission expires:

OFFICIAL SEAL
MIGDALIA M COLEMAN
Notary Public - State of Illinois
My Commission Expires May 14, 2016

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SHARON COLEMAN WEEMS
(Print or type name of Disclosing Party)

By: _____
(Sign here)

_____
(Print or type name of person signing)

_____
(Print or type title of person signing)

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

Signed and sworn to before me on (date) Nov. 4, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

JERRY L. WEEMS

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business/HOME address of the Disclosing Party: _____

C. Telephone: _____ Fax: _____ Email: _____

D. Name of contact person: JERRY L. WEEMS

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

ANLAP (4513 S. FORRESTVILLE)

G. Which City agency or department is requesting this EDS? DEPT OF PLANNING + DVLPMT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following: N/A

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____ _____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY: N/A

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
	N/A	

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with ANLAP (4513S. FORRESTVILLE) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

JERRY L. WEEMS Date: 12-2-14
(Print or type legal name of Disclosing Party)

By: _____
(sign here)

Print or type name of signatory:

_____

Title of signatory:

_____

Signed and sworn to before me on [date] 2nd, by December 2014, at Cook County, IL [state].

_____ Notary Public.

Commission expires: _____

OFFICIAL SEAL
MIGDALIA M COLEMAN
Notary Public - State of Illinois
My Commission Expires May 14 2016

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

JERRY L. WEEMS
(Print or type name of ~~Disclosing~~ Party)

By: _____
(Sign here)

_____
(Print or type name of person signing)

_____
(Print or type title of person signing)

Signed and sworn to before me on (date) NOV. 4, 2014,
at COOK County, ILLINOIS (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES.11/08/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

JERRY L. WEEMS

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business/HOME address of the Disclosing Party: 4511 S. FORRESTVILLE
CHICAGO IL 60653

C. Telephone: 773-671-0466 Fax: 888-205-5532 Email: drweems@hotmail.com

D. Name of contact person: JERRY L. WEEMS

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

ANLAP (4513 S. FORRESTVILLE)

G. Which City agency or department is requesting this EDS? DEPT OF PLANNING + DVLPMT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following: N/A

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____ _____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY: N/A

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
	N/A	

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with ANLAP (4513S. FORRESTVILLE) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

JERRY L. WEEMS Date: 12-2-14
(Print or type legal name of Disclosing Party)

By: _____
(sign here)

Print or type name of signatory:

_____

Title of signatory:

_____

Signed and sworn to before me on [date] 2nd December 2014, by _____ at Cook County, IL [state].

_____ Notary Public.

Commission expires: _____

OFFICIAL SEAL
MIGDALIA M COLEMAN
Notary Public - State of Illinois
My Commission Expires May 14 2016

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

JERRY L. WEEMS
(Print or type name of ~~Disclosing~~ Party)

By: _____
(Sign here)

_____
(Print or type name of person signing)

_____
(Print or type title of person signing)

Signed and sworn to before me on (date) NOV. 4, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SHARON C. WEEMS

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business/HOME address of the Disclosing Party: 4511 S. Forrestville Ave
Chicago IL 60653

C. Telephone: 7733541719 Fax: _____ Email: slcweems@gmail.com

D. Name of contact person: Sharon Weems

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

ANLAP 4513 S. Forrestville

G. Which City agency or department is requesting this EDS? Dept. of Planning & Mngt

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following: N/A

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____ _____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
	N/A	

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
	N/A		

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____ _____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with ANLAP (4513 S. Forrestville) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

SHARON COLEMAN WEEMS Date: 12/2/14
(Print or type legal name of Disclosing Party)

By:

(sign here)

Print or type name of signatory:

Title of signatory:

Signed and sworn to before me on [date] 2nd, by December 2014, at Cook County, IL [state].

Notary Public.

Commission expires:

OFFICIAL SEAL
MIGDALIA M COLEMAN
Notary Public - State of Illinois
My Commission Expires May 14, 2016

Ver. 11-01-05

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SHARON COLEMAN WEEMS
(Print or type name of Disclosing Party)

By: _____
(Sign here)

_____
(Print or type name of person signing)

_____
(Print or type title of person signing)

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

Signed and sworn to before me on (date) Nov. 4, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

N/A

City of Chicago

O2015-744

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 4854 S May St to Emilio Vizcarra
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City is the owner of the vacant parcel of real property commonly known as 4854 South May Street, Chicago, Illinois, which is legally described on Exhibit A attached hereto (the "Property"), which Property is located in the 47th/ Halsted Redevelopment Project Area ("Area") established pursuant to ordinances adopted by the City Council of the City ("City Council") on May 29, 2002, and published in the Journal of Proceedings of the City ("Journal") for such date at pages 85676 through 85904; and

WHEREAS, by ordinance adopted by the City Council on September 10, 2008 and published in the Journal for such date at pages 36559 through 36561 (the "Sales Ordinance"), the City Council approved the sale of the Property to Angelica Trejo, of 4856 South May Street, Chicago, Illinois 60609 (the "Prospective Purchaser"); and

WHEREAS, the Prospective Purchaser never finalized the purchase and has indicated that she no longer is interested in finalizing the purchase; and

WHEREAS, Emilio Vizcarra ("Grantee"), of 4852 South May Street, Chicago, Illinois 60609, has offered to purchase the Property for the sum of Four Thousand and No/100 Dollars ($4,000.00), such amount being the appraised fair market value of the Property, to improve with landscaped open space thereon; and

WHEREAS, public notice advertising the City's intent to enter into a negotiated sale of the Property with the Grantee and requesting alternative proposals appeared in the *Chicago Sun-Times*, a newspaper of general circulation, on December 2 and December 9, 2014; and

WHEREAS, no alternative proposals were received by the deadline indicated in the aforesaid notice; and

WHEREAS, pursuant to Resolution No. 15-005-21 adopted on January 15, 2015 by the Plan Commission of the City (the "Commission"), the Commission approved the negotiated sale of the Property to the Grantee; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The Sales Ordinance dated September 10, 2008, is hereby repealed in its entirety.

SECTION 2. The City Council hereby approves the sale of the Property to the Grantee for the amount of Four Thousand and No/100 Dollars ($4,000.00).

SECTION 2. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to the Grantee. Such deed shall include a covenant obligating the Grantee to use the Property only for uses consistent with the land uses permitted under the redevelopment plan for the Area.

Grantee's acceptance of the City's quitclaim deed shall constitute Grantee's agreement to such covenant. The quitclaim deed shall also contain language substantially in the following form:

This conveyance is subject to the express condition that: the Property is improved with landscaped open space within six (6) months of the date of this deed. In the event that the condition is not met, the City of Chicago may re-enter the Property and revest title in the City of Chicago. Grantee, at the request of the City of Chicago, covenants to execute and deliver to the City a reconveyance deed to the Property to further evidence such revesting of title.

SECTION 3. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT A

Purchaser:	Emilio Vizcarra
Purchaser's Address:	4852 South May Street, Chicago, Illinois 60609
Purchase Amount:	$4,000.00
Appraised Value:	$4,000.00

Legal Description (Subject to Title Commitment and Survey):

Lot 23 in Block 4 in Windett's Addition to Chicago, being a Subdivision of the South ½ of the Northwest ¼ of the Northeast ¼ and the North ½ of the Southwest ¼ of the Northeast ¼ of Section 8, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Address: 4854 South May Street
Chicago, Illinois 60609

Property Index Number: 20-08-204-041-0000

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

EMILIO VIZCARRA

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. ~~Business~~ HOME address of the Disclosing Party: _____

C. Telephone: _____ Fax: _____ Email: _____

D. Name of contact person: SAME

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

ANLAP Purchase of 4854 S. MAY ST. PIN

G. Which City agency or department is requesting this EDS? PLANNING AND DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

NONE

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Emilio Vizcarra
(Print or type name of Disclosing Party)

By: Emilio Vizcarra
(Sign here)

Emilio Vizcarra
(Print or type name of person signing)

SELF
(Print or type title of person signing)

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 11/08/15

Signed and sworn to before me on (date) December 1, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

Commission expires: 11-8-15.

CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

EMILIO VIZCARRA

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. ~~Business~~ Home address of the Disclosing Party: 4852 S. MAY ST.
CHICAGO IL 60609

C. Telephone: 773-418-3190 Fax: _____ Email: _____

D. Name of contact person: SAME

E. Federal Employer Identification No. (if you have one): N/A

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

ANNA'S Purchase of 4854 S. MAY ST. PIN 20-08-204-041-0000

G. Which City agency or department is requesting this EDS? PLANNING AND DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # N/A and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[X] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

_____

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
N/A	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

NONE

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Emilio Vizcarra
(Print or type name of Disclosing Party)

By: Emilio Vizcarra
(Sign here)

Emilio Vizcarra
(Print or type name of person signing)

SELF
(Print or type title of person signing)

OFFICIAL SEAL
CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:11/08/15

Signed and sworn to before me on (date) December 1, 2014,
at Cook County, Illinois (state).

Cynthia A Garza Notary Public.

CYNTHIA A GARZA
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES

Commission expires: 11-8-15.

City of Chicago

O2015-746

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Sale of City-owned property at 6200 S Langley Ave to MPS Community i, LLC
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970 and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City Council of the City ("City Council") by ordinance adopted May 20, 1992 and published in the Journal of the Proceedings of the City Council of the City ("Journal") for such date at pages 16333 – 16335, established the Chicago Abandoned Properties Program ("CAP Program"), pursuant to which the City has acquired numerous abandoned properties either through statutory abandonment proceedings, or through the foreclosure of municipal liens, and conveyed such abandoned properties to developers for rehabilitation, and worked with such developers to successfully rehabilitate such abandoned properties; and

WHEREAS, the City Council, by ordinance adopted February 6, 2008 and published in the Journal for such date at pages 20654 – 20657, renamed the CAP Program as the "Preserving Communities Together Program" (the "PCT Program") and expanded the acquisition authority for such program; and

WHEREAS, there are a substantial number of abandoned, deteriorated and dangerous buildings in the City which threaten the health, safety, economic stability and general welfare of the citizens of the City, and which are the subject of certain housing court proceedings; and

WHEREAS, the City has created the PCT Program to help abate the dangers posed by abandoned, deteriorated and dangerous buildings in the City through the acquisition and subsequent conveyance of the buildings to parties who have proposed to rehabilitate them; and

WHEREAS, the City is the owner of the property commonly known as 6200 South Langley Ave., Chicago, Illinois, and legally described on Exhibit A hereto (the "Property"), which is improved with a multifamily residential building ("Building") in need of substantial repair and is qualified to be included in the PCT Program; and

WHEREAS, MPS Community I, LLC, an Illinois non-for profit corporation (the Developer"), has proposed to purchase the Property from the City and facilitate the rehabilitation of the Building for residential housing in accordance with the provisions of the PCT Program; and

WHEREAS, by Resolution No. 14-061-21, adopted by the Plan Commission of the City (the "Plan Commission") on July 17, 2014, the Plan Commission recommended the sale of the Property; and

WHEREAS, public notices advertising the intent of the City's Department of Planning and Development (the "Department") to enter into a negotiated sale with the Developer and requesting alternative proposals appeared in the Chicago Sun-Times on November 24, 2014 and December 1, 2014 and December 8, 2014; and

WHEREAS, no alternative proposals have been received by the deadline indicated in the aforesaid notice; and

WHEREAS, the Department has reviewed the Developer's application and has recommended that the City Council approve the conveyance of the Property to the Developer for the purpose of facilitating the rehabilitation of the Building in accordance with the provisions of the PCT Program; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The sale of the Property to the Developer for the sum of One Dollar ($1.00), plus holding costs incurred by the City during its period of ownership of the Property, is hereby approved. Due to the current deteriorated condition of the Building and market conditions, the Commissioner of the Department or of any successor department thereto (the "Commissioner") may waive the requirement that the Developer to reimburse the City for holding costs incurred by the City during its period of ownership of the Property. This approval is expressly conditioned upon the City's entering into a redevelopment agreement with the Developer. The redevelopment agreement shall require that the rehabilitated Property be rented affordably to residents with household incomes, adjusted for family size, at or below one hundred and twenty percent (120%) of the Chicago Primary Metropolitan Statistical Area median income, as determined by the U.S. Department of Housing and Urban Development; provided, however, the Commissioner shall have the discretion to waive such requirement. The Commissioner is authorized to negotiate and execute a redevelopment agreement with the Developer, and such other documents which may be required or necessary to implement the intent and objectives of the PCT Program, subject to the approval of the Corporation Counsel. The Commissioner is further authorized to consent to the Developer's conveyance of the Property and the Developer's assignment of the redevelopment agreement, provided the proposed grantee and assignee are qualified to do business with the City (including but not limited to anti-scofflaw requirement).

SECTION 2. The Mayor is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the Property to the Developer, or to a land trust of which the Developer is the sole beneficiary, or to a business entity of which the Developer is the sole controlling party, subject to the approval of the Corporation Counsel.

SECTION 3. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 4. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict

SECTION 5. This ordinance shall take effect upon its passage and approval.

EXHIBIT A
Legal Description
(subject to final title commitment and survey)

LOT 1 AND THE NORTH 18 FEET OF LOT 2 IN BLOCK 6 IN THE RESUBDIVISION OF THE WASHINGTON PARK CLUB ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH ½ OF THE SOUTHEAST ¼ OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 6200 SOUTH LANGLEY AVENUE
CHICAGO, ILLINOIS 60637

Property Index Number: 20-15-421-016-0000

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Mercy Portfolio Services

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MPS Community I, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 120 S. LaSalle Street #1850
Chicago, IL 60603

C. Telephone: 312-447-4536 Fax: 877-228-4917 Email: ddugoe@mercyhousing.org

D. Name of contact person: Darlene A. Dugo

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):
MPS Community I LLC requests the transfer of city owned property at 6200 S. Lamy Chicago, IL, as part of "Preserving Communities Together" which will allow stabilization of this vacant property.

G. Which City agency or department is requesting this EDS? DPD

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[X] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[X] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Colorado

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
1. STEVEN SPEERS, Director	DARLENE A DEJE, Vice President
JANE GRAF, Director	EVA GARRETT, Secretary
John Powell, Director	MARK KLEINKOPF Treasurer
Jack Brady Director	
BARBARA BUSCH, Director	
CAROL WEINAUG, Chairman Board	

"no Members"

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No ☒ No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Mercy Portfolio Services
(Print or type name of Disclosing Party)

By: Darlene A Dusq
(Sign here)

DARlene A. DUSO
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/13/15,
at Cook County, County (state).

Josefina Gomez-Karas Notary Public.

Commission expires: 7/1/18.

OFFICIAL SEAL
JOSEFINA GOMEZ-KARAS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 07/01/18

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MPS Community I, LLC an Illinois Limited Liability Company

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 120 S. LaSalle Street, Suite 1850
Chicago, IL 60603

C. Telephone: 312-447-4530 Fax: 877-228-4917 Email: ddugo@mercyhousing.org

D. Name of contact person: Darlene A. Dugo

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): MPS Community I, LLC requests receipt of City owned property located at 6200 S. Langley, Chicago, IL, as part of the Preserving Communities Together program which would allow Stabilization of this vacant property

G. Which City agency or department is requesting this EDS? DPD

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[✓] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Mercy Portfolio Services	Sole Managing Member
Steve SPEARS	President
DARlene A. DUJO	Vice President
Eva GARRett	Secretary
MARK KleinKopf	Treasurer

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Mercy Portfolio Services	120 S. LaSalle St., Suite 1850 Chicago, IL 60603	100

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Anticipated - Dust 'em Clean			Estimated $4000
	P.O. Box 377823		Established Fee Schedule
	Chicago, IL 60637		Board Up, Yard Care

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: **If the Matter is federally funded**, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

MPS Community I, LLC
(Print or type name of Disclosing Party)

By: Darlene A Dugo
(Sign here)

Darlene A. Dugo
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/13/15,
at Cook County, Illinois (state).

Joanna Gomez-Karas Notary Public.

Commission expires: 7/1/18.

OFFICIAL SEAL
JOSEFINA GOMEZ-KARAS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/01/18

OFFICIAL SEAL
JOSEFINA GOMEZ-KARAS
NOTARY PUBLIC - STATE OF ILLINC
MY COMMISSION EXPIRES:07/

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [✓] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Mercy Portfolio Services

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MPS Community I, LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 120 S LaSalle Street #1850
Chicago, IL 60603

C. Telephone: 312-447-4536 Fax: 877-228-4917 Email: ddugo@mercyhousing.org

D. Name of contact person: Darlene A. Dugo

E. Federal Employer Identification No. (if you have one): 26-4002114

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):
MPS Community I LLC requests the transfer of city owned property at 6200 S. Lang Chicago, IL, as part of "Preserving Communities Together" which will allow stabilization of this vacant property

G. Which City agency or department is requesting this EDS? DPD

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[X] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[X] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Colorado

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
L. STEVEN SPEARS, Director	DARLENE A DEJE, Vice President
JANE GRAF, Director	EVA GARRETT, Secretary
John Powell, Director	MARK KLEINKOPF, Treasurer
Joel Bervid, Director	
BARBARA BUSCH, Director	
CAROL WEHMAN, Chairman Board	

"no Members"

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Mercy Portfolio Services
(Print or type name of Disclosing Party)

By: Darlene A Dusq
(Sign here)

Darlene A. Dusq
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/13/15,
at Cook County, County (state).

Josefina Gomez-Karas Notary Public.

Commission expires: 7/1/18.

OFFICIAL SEAL
JOSEFINA GOMEZ-KARAS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 07/01/18

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MPS Community I, LLC an Illinois Limited Liability Company

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 120 S. LaSalle Street, Suite 1850
Chicago, IL 60603

C. Telephone: 312-447-4530 Fax: 877-228-4917 Email: ddugo@mercyhousing.org

D. Name of contact person: Darlene A. Dugo

E. Federal Employer Identification No. (if you have one): 80-0944896

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable): MPS Community I, LLC requests receipt of City owned property located at 6200 S. Langley, Chicago, IL, as part of the Preserving Communities Together program which would allow Stabilization of this vacant property

G. Which City agency or department is requesting this EDS? DPD

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # NA and Contract # NA

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[✓] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Mercy Portfolio Services	Sole Managing Member
Steve SPEARS	President
DARlene A. DUJO	Vice President
Eva GARRETT	Secretary
MARK KLEINKOPF	Treasurer

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Mercy Portfolio Services	120 S. LaSalle St., Suite 1850 Chicago, IL 60603	100

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Anticipated - Dust 'em Clean			Estimated $4000
	P.O. Box 377823		Established Fee Schedule
	Chicago, IL 60637		Board Up, Yardcare

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

MPS Community I, LLC
(Print or type name of Disclosing Party)

By: Darlene A Dugo
(Sign here)

Darlene A. Dugo
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/13/15,
at Cook County, Illinois (state).

Joanna Gomez-Karas Notary Public.

Commission expires: 7/1/18.

OFFICIAL SEAL
JOSEFINA GOMEZ-KARAS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:07/01/18

OFFICIAL SEAL
JOSEFINA GOMEZ-KARAS
NOTARY PUBLIC - STATE OF ILLINC
MY COMMISSION EXPIRES:07/

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [✓] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

City of Chicago

O2015-747

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Negotiated sale and conveyance of City-owned property at northwest corner of W 63rd St and S Halsted St to Englewood Square, LP
Committee(s) Assignment:	Committee on Housing and Real Estate

HSG.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

AN ORDINANCE OF THE CITY OF CHICAGO, ILLINOIS AUTHORIZING THE NEGOTIATED SALE AND CONVEYANCE OF CITY PROPERTY TO ENGLEWOOD SQUARE, LP AND DESIGNATING ENGLEWOOD SQUARE, LP AS DEVELOPER

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution of the State of Illinois of 1970, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City has established the Community Development Commission ("CDC") to, among other things, designate redevelopment areas, approve redevelopment plans, and recommend the sale of parcels located in redevelopment areas, subject to the approval of the City Council; and

WHEREAS, the City Council of the City (the "City Council") adopted the following ordinances on November 29, 1989, as amended by ordinances adopted on December 17, 2008 and November 13, 2013, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1 *et seq.* (the "TIF Act"): (1) an ordinance approving a redevelopment plan (the "Redevelopment Plan") for the Englewood Mall Redevelopment Project Area (the "Redevelopment Area"); (2) an ordinance designating the Redevelopment Area as a redevelopment project area; and (3) an ordinance adopting tax increment allocation financing for the Redevelopment Area; and

WHEREAS, the City is the owner of approximately 5.4 acres of vacant land located at the northwest corner of West 63rd Street and South Halsted Street, as legally described on Exhibit A attached hereto and depicted in solid gray shading on the figure attached hereto as Exhibit B (the "City Land"), which is located in the Redevelopment Area; and

WHEREAS, the City Land consists of three parcels of land referred to herein as the "Anchor Site," "Outlot A" and "Outlot B"; and

WHEREAS, pursuant to an ordinance adopted by the City Council on April 2, 2014, and published at pages 76654 through 76724 in the *Journal of the Proceedings of the City Council of the City of Chicago* of such date, the City Land is being or has been improved with foundations, pads, utilities and various other site improvements (the "Site Improvements"); and

WHEREAS, the City Land and the Site Improvements are collectively referred to herein as the "City Property"; and

WHEREAS, Englewood Square, LP, an Illinois limited partnership ("Developer"), has submitted a proposal to the Department of Planning and Development (the "Department") to purchase the City Property for $1.00; and

WHEREAS, the appraised value of the City Property as of February 10, 2014, was approximately $3.1 million; and

WHEREAS, the Developer desires to purchase the City Property from the City in order

to construct: (i) a grocery store containing approximately 18,000 square feet on the Anchor Site (the "Grocery Store"); (ii) a multi-tenant retail strip center containing approximately 22,000 square feet on the Anchor Site (the "Retail Building"), (iii) a pad and all necessary infrastructure improvements for a commercial/retail use on Outlot A (the "Outlot A Improvements"), (iii) a pad and all necessary infrastructure improvements for a commercial/retail use on Outlot B (the "Outlot B Improvements"), and (iv) approximately 175 off-street parking spaces, of which eight will be accessible to the disabled (collectively, the "Project"); and

WHEREAS, the Developer presently intends to build the Project in two phases; and

WHEREAS, the first phase includes the Grocery Store, the Retail Building, and associated off-street parking; and

WHEREAS, the second phase includes the Outlot A Improvements and the Outlot B Improvements; and

WHEREAS, portions of the City Land are contaminated from past industrial uses; and

WHEREAS, the City has enrolled the City Land in the Illinois Environmental Protection Agency's ("IEPA") Site Remediation Program and is completing or has completed a variety of investigative and remedial activities; and

WHEREAS, the Developer has agreed to complete the additional remediation necessary to obtain a final comprehensive "No Further Remediation" letter from the IEPA approving the use of the City Property for the construction, development and operation of the Project; and

WHEREAS, the Project is consistent with the purposes and objectives of the Redevelopment Plan; and

WHEREAS, the Developer has agreed to undertake the Project in accordance with the Redevelopment Plan, and pursuant to the terms and conditions of a redevelopment agreement in substantially the form attached hereto as Exhibit C (the "Redevelopment Agreement"); and

WHEREAS, by Resolution No. 14-051-21 adopted on June 19, 2014, the Chicago Plan Commission approved the conveyance of the City Property to the Developer; and

WHEREAS, by Resolution No. 14-CDC-27, adopted on July 8, 2014, the CDC authorized the Department to advertise its intent to negotiate a sale with the Developer for the City Property and to request alternative proposals for redevelopment, and recommended the sale of the City Property to the Developer if no responsive alternative proposals were received at the conclusion of the advertising period, or, if alternative proposals were received, if the Department determined in its sole discretion that it was in the best interest of the City to proceed with the Developer's proposal; and

WHEREAS, public notices advertising the Department's intent to enter into a negotiated sale of the City Property with the Developer and requesting alternative proposals appeared in the *Chicago Sun-Times* on October 25, 2014, November 3, 2014 and November 8, 2014; and

WHEREAS, no other responsive proposals were received by the deadline indicated in the aforesaid notices; ***now, therefore,***

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council.

SECTION 2. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the TIF Act.

SECTION 3. The City hereby approves the conveyance of the City Property to the Developer for $1.00. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer. The Commissioner of the Department (the "Commissioner") or a designee of the Commissioner is each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement, and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement and such other supporting documents.

SECTION 4. The Mayor or his proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, a quitclaim deed conveying the City Property to the Developer, or to a land trust of which the Developer is the sole beneficiary, or to an entity of which the Developer is the sole controlling party or to an entity which is comprised of the same principal parties as the Developer.

SECTION 5. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 6. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall take effect immediately upon its passage and approval.

Attachments: Exhibit A – Legal Description of City Land
Exhibit B – Depiction of City Land
Exhibit C – Redevelopment Agreement

EXHIBIT A

LEGAL DESCRIPTION OF CITY LAND

(SUBJECT TO FINAL SURVEY AND TITLE COMMITMENT)

PARCEL 1D:

THAT PART OF VACATED ORIGINAL S. PEORIA STREET LYING EAST OF LOTS 5 THROUGH 17, ALL INCLUSIVE IN BLOCK 1 IN CROCKER'S RESUBDIVISION RECORDED AUGUST 5, 1856 AS DOCUMENT 74312 AND WEST OF AND ADJOINING THE WEST LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282, ALL IN THE SOUTHEAST 1/ 4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF W. 63RD STREET AND THE WEST LINE OF S. PEORIA STREET; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG AN ASSUMED BEARING AND THE WEST LINE OF SAID S. PEORIA STREET, 175.05 FEET TO A POINT ON A NORTHERLY LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282; THENCE CONTINUING NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG THE WESTERLY LINE OF SAID S. PEORIA STREET, 138.45 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 55 SECONDS EAST, 8.08 FEET TO AN EASTERLY LINE OF SAID S. PEORIA DRIVE; THENCE 01 DEGREES 32 MINUTES 37 SECONDS EAST, ALONG SAID EASTERLY LINE, 138.54 FEET TO THE CORNER THEREOF; THENCE SOUTH 89 DEGREES 08 MINUTES 20 SECONDS WEST, ALONG A NORTHERLY LINE OF SAID S. PEORIA DRIVE, 8.04 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2A:

LOTS 1 THROUGH 20, ALL INCLUSIVE, IN CATHLEEN E. SEEHANSEN'S SUBDIVISION OF THE SOUTH 4 1/6 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTIONS 17 TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THERE OF RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175, IN COOK COUNTY, ILLINOIS, EXCEPTING THEREFROM THAT PART OPENED FOR PUBLIC RIGHT OF WAY AS W. 63RD STREET BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____; AND,

PARCEL 2B:

ALL THAT PART OF THE VACATED 12 FOOT WIDE EAST-WEST PUBLIC ALLEY NORTH OF LOTS 1 THROUGH 10 AND THE 14 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY LYING BETWEEN LOTS 11 THROUGH 15 AND LOTS 16 THROUGH 20 ALL IN IN CATHLEEN E. SEEHANSEN'S SUBDIVISION OF THE SOUTH 4 1/6 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTIONS 17 TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, , ACCORDING TO THE PLAT THERE OF RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175, VACATED BY

ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 2C:

LOTS 34 THROUGH 39, INCLUSIVE, IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 39; THENCE SOUTH 88 DEGREES 29 MINUTES 13 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOT 39, A DISTANCE OF 124.07 FEET TO THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING ON THE EAST LINE OF A 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY; THENCE NORTH 01 DEGREES 32 MINUTES 16 SECONDS EAST, ALONG THE EAST LINE OF SAID 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY, 146.94 FEET; THENCE 88 DEGREES 29 MINUTES 42 SECONDS EAST, 124.09 FEET TO A POINT ON THE EAST LINE OF SAID LOT 34, ALSO BEING THE WEST LINE OF S. GREEN STREET; THENCE SOUTH 01 DEGREES 31 MINUTES 47 SECONDS WEST, 146.92 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 2D:

ALL THAT PART OF THE VACATED 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY BETWEEN LOTS 27 THROUGH 39, AND LOTS 40 THROUGH 52, ALL INCLUSIVE IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 39; THENCE SOUTH 88 DEGREES 29 MINUTES 13 SECONDS WEST, 16.00 FEET TO THE SOUTHEAST CORNER OF LOT 40 IN SAID EHRLER & HESSERT'S SUBDIVISION, SAID CORNER ALSO BEING ON THE WEST LINE OF SAID 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY; THENCE NORTH 01 DEGREES 32 MINUTES 16 SECONDS WEST, ALONG SAID WEST LINE, 146.94 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 16.00 FEET TO A POINT ON THE WEST LINE OF LOT 34 IN SAID EHRLER & HESSERT'S SUBDIVISION, SAID POINT ALSO BEING ON THE EAST LINE OF SAID 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY; THENCE SOUTH 01 DEGREES 32 MINUTES 16 SECONDS EAST, ALONG SAID EAST LINE, 146.94 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 2E:

THAT PART OF VACATED ORIGINAL S. PEORIA STREET LYING WEST OF AND ADJOINING THE WEST LINES OF LOTS 40 THROUGH 48, ALL INCLUSIVE, IN EHRLER & HESSERT'S SUBDIVISION RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528 AND

WEST OF AND ADJOINING THE WEST LINES OF LOTS 11 THROUGH 15, ALL INCLUSIVE IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175 AND LYING EAST OF AND ADJOINING THE EAST LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282, ALL IN THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF W. 63RD STREET AND THE WEST LINE OF S. PEORIA STREET; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG AN ASSUMED BEARING AND THE WEST LINE OF SAID S. PEORIA STREET, 14.00 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 55 SECONDS EAST, 66.00 FEET TO A PONT ON THE EAST LINE OF THE ORIGINAL S. PEORIA STREET, SAID POINT ALSO ON THE WEST LINE OF LOT 1 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 24, 1874 AS DOCUMENT 192175; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG THE LAST DESCRIBED LINE, 94.90 FEET TO THE SOUTH LINE OF SAID 12 FOOT EAST-WEST PUBLIC ALLEY, POINT ALSO BEING THE NORTHWEST CORNER OF SAID LOT 1; THENCE CONTINUING NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, 12.00 FEET TO THE NORTH LINE OF SAID 12 FOOT WIDE EAST-WEST PUBLIC ALLEY AND THE SOUTHWEST CORNER OF LOT 11 IN SAID EHRLER & HESSERT'S SUBDIVISION; THENCE CONTINUING SOUTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF SAID LOT 11, A DISTANCE OF 12.10 FEET TO A POINT ON A NORTHERLY LINE OF S. PEORIA DRIVE, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE WESTERLY AND NORTHERLY ALONG THE NORTHERLY AND EASTERLY LINES OF SAID S. PEORIA DRIVE FOR THE NEXT THREE COURSES; (1) THENCE SOUTH 88 DEGREES 26 MINUTES 34 SECONDS WEST, 3.88 FEET; (2) THENCE NORTH 04 DEGREES 20 MINUTES 16 SECONDS WEST, 83.94 FEET; (3) THENCE NORTH 01 DEGREES 32 MINUTES 37 SECONDS WEST, 170.94 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 7.91 FEET TO A POINT ON AN EAST LINE OF ORIGINAL S. PEORIA STREET; THENCE SOUTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG SAID EAST LINE, 254.77 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; AND

PARCEL 2F:

LOTS 40 THROUGH 45, ALL INCLUSIVE, IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 40; THENCE SOUTH 88 DEGREES 29 MINUTES 13 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOT 40, A DISTANCE OF 121.89 FEET TO THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING ON THE EAST LINE OF ORIGINAL S. PEORIA STREET; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, ALONG THE EAST LINE OF SAID ORIGINAL S. PEORIA STREET, 146.96 FEET; THENCE 88 DEGREES 29 MINUTES 42 SECONDS EAST, 121.94 FEET TO A POINT ON THE EAST LINE OF SAID LOT 45, ALSO BEING THE WEST LINE OF A 16 FOOT WIDE

NORTH-SOUTH PUBLIC ALLEY; THENCE SOUTH 01 DEGREES 32 MINUTES 16 SECONDS WEST, 146.94 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 3:

ALL OF VACATED 66 FOOT WIDE S. GREEN STREET LYING SOUTH OF THE SOUTH LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282 AND NORTH OF AND ADJOINING A LINE 14 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF W. 63RD STREET, ALL IN THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, IN COOK COUNTY, ILLINOIS MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF W. 63RD STREET AND THE WEST LINE OF S. GREEN STREET; THENCE NORTH 01 DEGREES 31 MINUTES 47 SECONDS WEST, ALONG AN ASSUMED BEARING AND THE WEST LINE OF SAID S. GREEN STREET, 14.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 01 DEGREES 31 MINUTES 47 SECONDS WEST, ALONG THE WEST LINE OF SAID S. GREEN STREET, 373.71 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 66.00 FEET TO A POINT ON THE EAST LINE OF SAID S. GREEN STREET; THENCE SOUTH 01 DEGREES 31 MINUTES 47 SECONDS EAST, 373.69 FEET TO A POINT ON THE NORTH LINE OF W. 63RD STREET; THENCE SOUTH 88 DEGREES 28 MINUTES 55 SECONDS WEST, 66.00 FEET OT THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 4D:

LOTS 9 THROUGH 13, ALL INCLUSIVE, EXCEPT THE WEST 2 FEET OF THE NORTH 4 FEET OF SAID LOT 9, ALL IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 4E:

LOTS 1 THROUGH 6, ALL INCLUSIVE AND LOT 7 (EXCEPT THE SOUTH 50 FEET THEREOF) IN COUNTY CLERK'S DIVISION OF BLOCK 2 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION OF THE SOUTH 4 1/6 ACRES OF SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17 TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175, IN COOK COUNTY, ILLINOIS AND FURTHER EXCEPTING THEREFROM THAT PART OPENED FOR PUBLIC RIGHT OF WAY AS W. 63RD STREET BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____; AND,

PARCEL 4F:

LOT "A", IN THE CONSOLIDATION PLAT OF SUBDIVISION OF THE SOUTH 50 FEET OF LOT 7 TOGETHER WITH A 12 FOOT STRIP OF LAND DESIGNATED AS A 16 FOOT WIDE EAST-WEST PUBLIC ALLEY RESERVED BY DEED AND LYING SOUTH OF AND ADJOINING SAID LOT 7 (EXCEPT THE NORTH 16 FEET OF THE SOUTH 50 FEET OF SOUTH LOT 7 DEDICATED AS PUBLIC ALLEY) IN COUNTY CLERK'S DIVISION RECORDED SEPTEMBER 12, 1888 AS DOCUMENT 1003460 OF BLOCK 2 IN THE SUBDIVISION OF THE SOUTH 4 1/6 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE CONSOLIDATION PLAT RECORDED MAY 23, 1947 AS DOCUMENT 14063746, IN COOK COUNTY. ILLINOIS; AND,

PARCEL 4G:

ALL THAT PART OF THE VACATED NORTH-SOUTH 16 FOOT WIDE PUBLIC ALLEY LYING BETWEEN THE LOTS 9 THROUGH 13, AND LOTS 14 THROUGH 18, ALL INCLUSIVE IN EHRLER AND HESSERT'S SUBDIVISION AFORESAID IN THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 4H:

ALL THAT PART OF THE VACATED NORTH-SOUTH 14 FOOT WIDE PUBLIC ALLEY LYING WEST OF LOTS 1 THROUGH 3, ALL INCLUSIVE AND EAST OF LOTS 5 AND 7 IN COUNTY CLERK'S DIVISION RECORDED SEPTEMBER 12, 1888 AS DOCUMENT 1003460 OF BLOCK 2 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175 AND EAST OF LOT A IN CONSOLIDATION PLAT RECORDED MAY 23, 1947 AS DOCUMENT 14063746 IN THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 4I:

ALL THAT PART OF THE VACATED NORTH 16 FEET OF THE SOUTH 50 FEET OF SOUTH LOT 7 IN COUNTY CLERK'S DIVISION RECORDED SEPTEMBER 12, 1888 AS DOCUMENT 1003460 OF BLOCK 2 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175 DEDICATED AS AN EAST-WEST 16 FOOT WIDE PUBLIC ALLEY IN CONSOLIDATION PLAT RECORDED MAY 23, 1947 AS DOCUMENT 14063746 IN THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, ILLINOIS; AND,

PARCEL 4J:

THAT PART OF LOTS 14 THROUGH 19, ALL INCLUSIVE IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 14; THENCE NORTH 01 DEGREES 31 MINUTES 47 SECONDS WEST, ALONG THE WEST LINE OF SAID LOTS, 146.90 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 112.92 FEET TO A POINT ON A LINE 9.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID LOTS 18 AND 19; THENCE SOUTH 01 DEGREES 33 MINUTES 14 SECONDS EAST, 25.87 FEET TO THE WESTERLY EXTENSION OF THE NORTH LINE OF A VACATED NORTH-SOUTH 16 FOOT WIDE PUBLIC ALLEY LYING WEST OF LOTS 9 THROUGH 13 IN SAID EHRLER & HESSERT'S SUBDIVISION; THENCE NORTH 88 DEGREES 28 MINUTES 08 SECONDS EAST, 9.00 FEET TO A POINT ON THE EAST LINE OF LOTS 14 THROUGH 19 IN SAID EHRLER & HESSERT'S SUBDIVISION, ALSO BEING THE WEST LINE OF A NORTH-SOUTH 16-FOOT WIDE PUBLIC ALLEY; THENCE SOUTH 01 DEGREES 31 MINUTES 47 SECONDS EAST, ALONG SAID LAST DESCRIBED LINE, 120.98 FEET TO THE SOUTHWEST CORNER OF SAID LOT 14; THENCE SOUTH 88 DEGREES 28 MINUTES 05 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOT 14, A DISTANCE OF 121.98 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF VACATED S. PEORIA DRIVE ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282, IN THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF W. 63RD STREET AND THE WEST LINE OF S. PEORIA STREET; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG AN ASSUMED BEARING AND THE WEST LINE OF SAID S. PEORIA STREET, 14.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG SAID WEST LINE, 161.05 FEET TO A POINT ON A NORTHERLY LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282; THENCE NORTHERLY ALONG THE WESTERLY LINES OF SAID S. PEORIA DRIVE FOR THE NEXT TWO COURSES; (1) THENCE NORTH 89 DEGREES 08 MINUTES 20 SECONDS EAST, 8.04 FEET; (2) THENCE NORTH 01 DEGREES 32 MINUTES 37 SECONDS WEST, 212.82 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 50.00 FEET TO A POINT ON AN EASTERLY LINE OF SAID S. PEORIA DRIVE; THENCE SOUTHERLY AND EASTERLY ALONG THE EASTERLY AND NORTHERLY LINES OF SAID S. PEORIA DRIVE FOR THE NEXT SIX COURSES; (1) THENCE SOUTH 01 DEGREES 32 MINUTES 37 SECONDS EAST, 170.94 FEET; (2) THENCE SOUTH 04 DEGREES 20 MINUTES 16 SECONDS EAST, 83.94 FEET; (3) THENCE NORTH 88 DEGREES 26 MINUTES 34 SECONDS EAST, 3.88 FEET TO A POINT ON THE WEST LINE OF LOT 11 IN SAID EHRLER & HESSERT'S SUBDIVISION; (4) THENCE SOUTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, ALONG SAID WEST LINE, 12.10 FEET TO

THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING ON THE NORTH LINE OF A 12 FOOT WIDE EAST-WEST PUBLIC ALLEY; (5) THENCE SOUTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, 12.00 FEET TO THE SOUTH LINE OF SAID 12 FOOT EAST-WEST PUBLIC ALLEY, POINT ALSO BEING THE NORTHWEST CORNER OF LOT 1 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 24, 1874 AS DOCUMENT 192175; (6) THENCE SOUTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 94.90 FEET TO A POINT 14.00 FEET NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH 88 DEGREES 28 MINUTES 55 SECONDS WEST, 66.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ADDRESS: 6220-58 SOUTH HALSTED STREET
800-856 WEST 63rd
CHICAGO, ILLINOIS

PINS:

20-17-431-006 (PART OF)	20-17-430-007 (PART OF)
20-17-431-007 (PART OF)	20-17-430-008
20-17-431-008	20-17-430-009
20-17-431-009	20-17-430-010
20-17-431-010	20-17-430-011
20-17-431-011	20-17-430-012
20-17-431-015	20-17-430-013
20-17-431-016	20-17-430-014
20-17-431-017	20-17-430-022 (PART OF)
20-17-431-023 (PART OF)	20-17-430-023
20-17-431-024	20-17-430-024
20-17-431-025	20-17-430-025
20-17-431-026	20-17-430-026
20-17-431-027	20-17-430-027
20-17-431-028	20-17-430-028
20-17-431-030	20-17-430-029
20-17-431-031	20-17-430-030
20-17-431-032	20-17-430-031
20-17-431-033	20-17-430-032
	20-17-430-033
	20-17-430-034
	20-17-430-035

EXHIBIT B

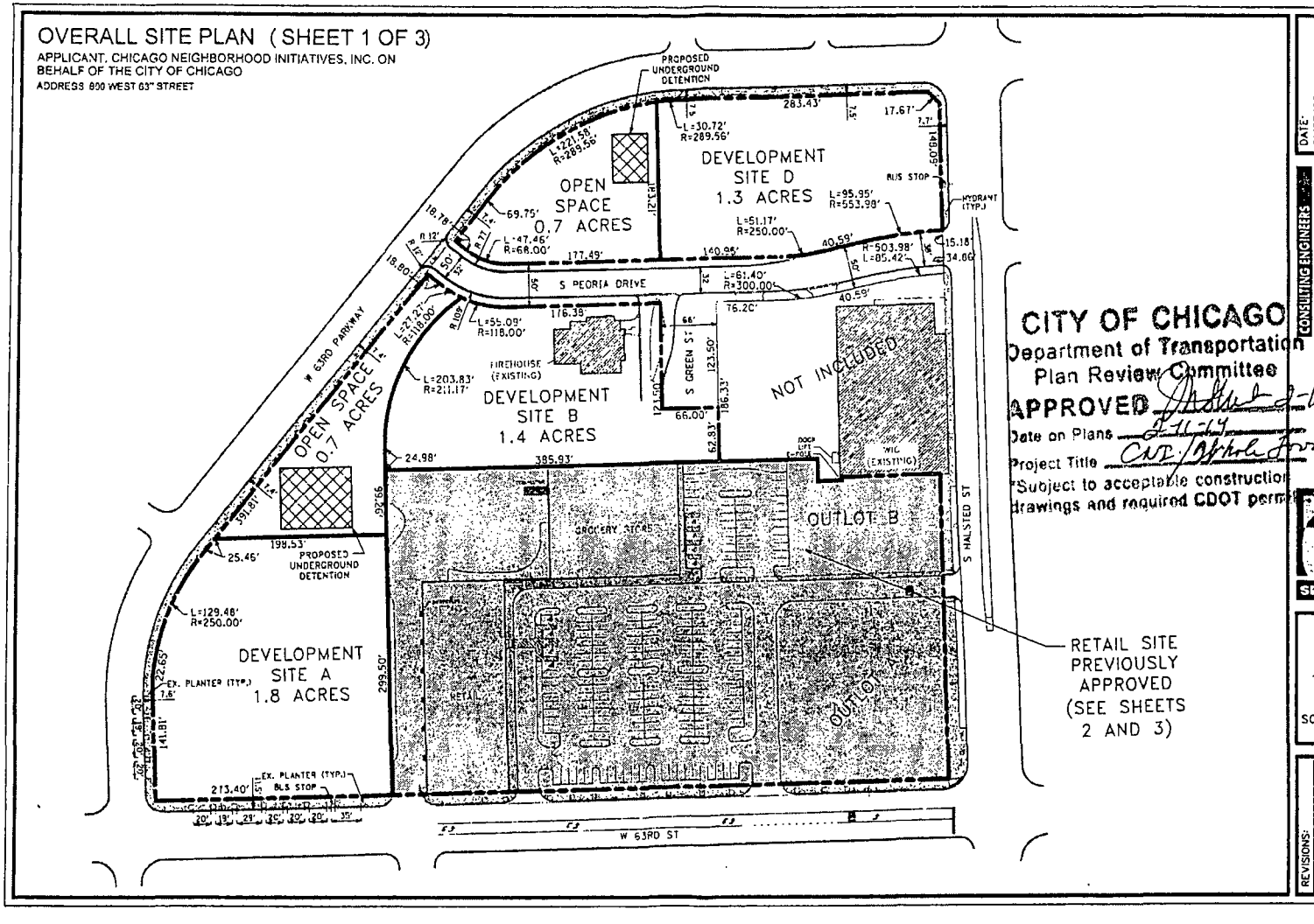
DEPICTION OF CITY LAND

(ATTACHED)

OVERALL SITE PLAN (SHEET 1 OF 3)

APPLICANT: CHICAGO NEIGHBORHOOD INITIATIVES, INC. ON BEHALF OF THE CITY OF CHICAGO

ADDRESS: 800 WEST 63rd STREET



RETAIL SITE PREVIOUSLY APPROVED (SEE SHEETS 2 AND 3)

CITY OF CHICAGO
Department of Transportation
Plan Review Committee
APPROVED
Date on Plans
Project Title
*Subject to acceptable construction drawings and required CDOT permits

DATE: 01/27/2014
JOB NO. 7390
FILENAME: 7390EXB-18 CDOT

CONSULTING ENGINEERS
SITE DEVELOPMENT ENGINEERS
LAND SURVEYORS

9575 W. Higgins Road, Suite 700,
Rosemont, Illinois 60018
Phone: (847) 696-4060 Fax: (847) 696-4065

SPACECO INC.

N

SCALE: 1" = 100'

REVISIONS:
01/30/2014
02/11/2014

EXHIBIT C

REDEVELOPMENT AGREEMENT

(ATTACHED)

AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND

(The Above Space for Recorder's Use Only)

This **AGREEMENT FOR THE SALE AND REDEVELOPMENT OF LAND** ("Agreement") is made on or as of the ___ day of _____, 2015, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation ("City"), acting by and through its Department of Planning and Development ("DPD"), having its principal offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 and Englewood Square, LP, an Illinois limited partnership (together with its lawful successors and assigns, "Developer"), whose offices are located at c/o DL3 Realty, L.P., 1050 East 95th Street, Chicago, IL 60619.

RECITALS

WHEREAS, the City is the owner of approximately 5.4 acres of vacant land located at the northwest corner of West 63rd Street and South Halsted Street, as legally described on Exhibit A attached hereto and depicted on the figure attached hereto as Exhibit B (the "Project Site"); and

WHEREAS, the Project Site consists of three parcels of land referred to herein and shown on Exhibit B as the "Anchor Site," "Outlot A" and "Outlot B"; and

WHEREAS, the Anchor Site consists of approximately ___ acres, Outlot A consists of approximately ___ acres, and Outlot B consists of approximately ___ acres; and

WHEREAS, the Project Site has been improved with foundations, pads, utilities and various other site improvements, as described in the letter attached hereto as Exhibit C (the "Site Improvements"); and

WHEREAS, the Project Site and the Site Improvements are collectively referred to herein as the "Property"; and

WHEREAS, the Property is part of a larger 13-acre site owned by the City, as depicted on Exhibit D attached hereto (the "63rd/Halsted Site"); and

WHEREAS, the Developer desires to purchase the Property from the City in order to construct (i) a grocery store (Whole Foods Market) containing approximately 18,000 square feet on the Anchor Site (the "Grocery Store"); (ii) a multi-tenant retail strip center containing approximately 22,000 square feet on the Anchor Site (the "Retail Building") with multiple retail spaces (each, a "Tenant Space"), (iii) a pad and all necessary infrastructure improvements for a commercial/retail use on Outlot A (the "Outlot A Improvements"), (iii) a pad and all necessary infrastructure improvements for a commercial/retail use on Outlot B (the "Outlot B Improvements"), and (iv) approximately 175 off-street parking spaces, of which eight will be accessible to the disabled (collectively, the "Project"), all as illustrated on the site plan attached hereto as Exhibit E (the "Site Plan"); and

WHEREAS, the Project is further defined in Section 2 hereof; and

WHEREAS, the Developer has entered into an agreement to lease the Grocery Store to Whole Foods Market (the "Whole Foods Lease") and has letters of intent from [___] potential tenants to lease Tenant Spaces in the Retail Building; and

WHEREAS, the Whole Foods Lease commences on or about [_____], and expires on the date that is [___] years after the commencement date, subject to such early termination rights and renewal rights as are set forth in such lease; and

WHEREAS, the Developer intends to build the Project in up to two (2) phases; and

WHEREAS, in the first phase of the Project ("Phase I"), the Developer will construct the Grocery Store, the Retail Building, and associated off-street parking, as illustrated on the Site Plan and as more fully described in the definition of Phase I in Section 2 below; and

WHEREAS, in the second phase of the Project ("Phase II"), the Developer will construct the Outlot A Improvements and the Outlot B Improvements, as illustrated on the Site Plan and as more fully described in the definition of Phase II in Section 2 below; and

WHEREAS, the Developer has entered into a construction contract with _____ (the "General Contractor") dated _____, 2015, to construct the Project (the "General Contract"); and

WHEREAS, portions of the Property are contaminated from past industrial uses, as described in the Remediation Documents (as defined in Section 2 below); and

WHEREAS, the City enrolled the Property in the Illinois Environmental Protection Agency's Site Remediation Program and completed a variety of investigative and remedial activities; and

WHEREAS, the Developer has agreed to complete the additional remediation necessary to obtain a Final NFR Letter (as defined in Section 2 below) for the Project; and

WHEREAS, the Property is located in the Englewood Mall Redevelopment Project Area (the "Redevelopment Area"), as created by ordinances first adopted on November 29, 1989, and amended by ordinances adopted on December 17, 2008 and November 13, 2013; and

WHEREAS, the Project is consistent with that certain redevelopment plan and project for the Redevelopment Area (the "Redevelopment Plan"); and

WHEREAS, the City has agreed to sell the Property to the Developer for $1.00 in consideration of the Developer's obligations to construct the Project in accordance with the terms and conditions of this Agreement, to comply with certain leasing and occupancy requirements and to obtain a Final NFR Letter (as defined in Section 23 below), among other requirements; and

WHEREAS, the Project is expected to cost approximately $_____ to design and construct; and

WHEREAS, as security for the Developer's completion of construction as provided herein and compliance with the leasing and occupancy covenants set forth in Section 15.2, the Developer has agreed to execute a reconveyance deed in the form attached hereto as Exhibit F ("Reconveyance Deed") on the Closing Date; and

WHEREAS, the City Council, pursuant to an ordinance adopted on _____, 200__, and published at pages _____ through _____ in the Journal of such date (the "Project Ordinance"), authorized the sale of the Property to the Developer, subject to the execution, delivery and recording of this Agreement; and

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

SECTION 1. INCORPORATION OF RECITALS.

The foregoing recitals constitute an integral part of this Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

SECTION 2. DEFINITIONS AND RULES OF CONSTRUCTION.

2.1 Defined Terms. For purposes of this Agreement, in addition to the terms defined in the foregoing Recitals, the following terms shall have the meanings set forth below:

"2FM" means the City's Department of Fleet and Facilities Management.

"63rd/Halsted Site" has the meaning defined in the Recitals.

"Actual Residents of the City" means persons domiciled within the City, as set forth in more detail in Section 24.2(c) hereof.

"Additional Capital Expenditure(s)" has the meaning defined in Section 26.5.

"Affiliate(s)" when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or

entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any person or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

"Agent" means any agents, employees, contractors, subcontractors, or other persons acting under the control or at the request of the Developer or the Developer's contractors or Affiliates.

"Agreement" means this Agreement as may be amended in accordance with the terms hereof.

"Amortization" has the meaning defined in Section 26.5.

"Anchor Site" has the meaning defined in the Recitals.

"Annual Payment" has the meaning defined in Section 26.1.

"Architect" means _____.

"Bundle" has the meaning defined in Section 30.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the City.

"Certificate of Completion" has the meaning defined in Section 14.

"Change Order" means any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 9, Section 11.1 and Section 11.2.

"City" has the meaning defined in the Preamble to the Recitals.

"City Contract" has the meaning defined in Section 25.1(l).

"City Council" means the City Council of the City of Chicago as defined in the Recitals.

"City Hiring Plan" has the meaning defined in Section 33.1.

"City Tax Event Note" has the meaning set forth in Section 26.3.

"Claims" means liens (including, without limitation, lien removal and bonding costs), liabilities, obligations, damages, losses, demands, penalties, assessments, payments, fines, claims, actions, suits, judgments, settlements, costs, expenses and disbursements (including, without limitation, reasonable, actually-incurred legal fees and expenses and costs of investigation) of any kind and nature whatsoever.

"Closing" means the conveyance of the Property to the Developer in accordance with

this Agreement.

"Closing Date" has the meaning defined in Section 5.

"Commissioner" or "Commissioner of DPD" means that individual holding the office and exercising the responsibilities of the Commissioner or Acting Commissioner of the City's Department of Planning and Development and any successor City Department.

"Construction Program" has the meaning defined in Section 24.3(a).

"Continuous Operation" has the meaning defined in Section 15.4(a).

"Contractors" has the meaning defined in Section 30.

"Contribution" has the meaning defined in Section 30.

"Corporation Counsel" means the City's Department of Law.

"Deed" has the meaning defined in Section 6.1.

"Default Title Exceptions" has the meaning defined in Section 20.4.

"Depreciation" has the meaning defined in Section 26.5.

"Developer" has the meaning defined in the Preamble to the Recitals.

"Developer Parties" means the Developer, the Developer's Affiliates, and the respective officers, directors, employees, agents, successors and assigns of the Developer and its Affiliates.

"Distributable Cash Flow" has the meaning defined in Section 26.5.

"Domestic partners" has the meaning defined in Section 30.

"DPD" has the meaning defined in the Preamble to the Recitals hereof.

"Draft NFR Letter" means that certain draft comprehensive "No Further Remediation" letter issued by the IEPA pursuant to the SRP (or Title 16 of the Illinois Environmental Protection Act with respect to certain USTs) for the Property dated _____, 2015, and attached hereto as Exhibit G, as amended or supplemented from time to time.

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

"Effective Date" means the date upon which this Agreement has been both (a) fully executed, and (b) delivered to the Developer.

"Employer(s)" has the meaning defined in Section 24.1.

"Environmental Documents" means all reports, surveys, field data, correspondence and analytical results prepared by or for the Developer (or otherwise obtained by the Developer) regarding the condition of the Property, including, without limitation, the SRP Documents.

"Environmental Laws" means any and all Laws relating to the regulation and protection of human health, safety, the environment and natural resources now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., any and all regulations promulgated under such Laws, and all analogous state and local counterparts or equivalents of such Laws, including, without limitation, the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., and the common law, including, without limitation, trespass and nuisance.

"Equity" means funds of the Developer (other than funds derived from Lender Financing or NMTC Financing) irrevocably available for the Project, and unencumbered by any other obligation.

"Equity Investment" has the meaning defined in Section 26.5.

"Event of Default" means any event or occurrence as defined in Section 20.2.

"Excess Profits" has the meaning defined in Section 26.5.

"Exit Fees" has the meaning defined in Section 26.5.

"Extended Compliance Period" means a period of ten (10) years following issuance of the Phase II Completion Certificate, excluding any period of time that an Event of Default exists under this Agreement.

"Extraordinary Tax Event" has the meaning defined in Section 26.5.

"Final NFR Letter" means one or more final comprehensive "No Further Remediation" letters issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the Site Plan and the terms and conditions of the Remediation Documents, as amended or supplemented from time to time. The Final NFR Letter(s) shall state that the Property meets TACO Tier 1 remediation objectives for commercial properties and the construction worker exposure route as set forth in 35 IAC Part 742, but may be reasonably conditioned upon use and maintenance of Engineered Barriers and other institutional or engineering controls acceptable to the IEPA.

"Final Project Cost" has the meaning defined in Section 14.1.

"Financial Statements" shall mean complete audited financial statements for the finances of the Project, which shall include a detailed accounting of all Operating Expenses as well as an accounting of any and all disbursements to entities related to the Developer, prepared by a

certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"General Contract" has the meaning defined in the Recitals.

"General Contractor" has the meaning defined in the Recitals.

"Governmental Approvals" has the meaning defined in Section 8.

"Grocery Store" has the meaning defined in the Recitals.

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

"Human Rights Ordinance" has the meaning set forth in Section 24.1(a).

"Identified Parties" has the meaning defined in Section 30.

"IEPA" means the Illinois Environmental Protection Agency.

"IGO Hiring Oversight" has the meaning defined in Section 33.4.

"Income Taxes" has the meaning defined in Section 26.5.

"Indemnitee" and "Indemnitees" have the respective meanings defined in Section 22.

"Initial Compliance Period" means a period of ten (10) years following issuance of the Phase I Completion Certificate, excluding any period of time that an Event of Default exists under this Agreement.

"Land Write-Down" has the meaning defined in Section 3.

"Laws" means all applicable federal, state, county, municipal or other laws (including common law), statutes, codes, ordinances, rules, regulations, executive orders or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments.

"Lease" has the meaning defined in the Recitals.

"Lease Term" has the meaning defined in the Recitals.

"Lender" means a provider of Lender Financing.

"Lender Financing" means funds borrowed by the Developer from lenders, if any, available to pay for the costs of the Project.

"Losses" means any and all debts, liens, claims, causes of action, demands, complaints, legal or administrative proceedings, losses, damages, obligations, liabilities, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorney's fees and expenses, consultants' fees and expenses and court costs).

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

"MBE/WBE Program" has the meaning defined in Section 24.3(a).

"Minimum Assessed Value " has the meaning defined in Section 18.1.

"Municipal Code" means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

"Net Operating Income" has the meaning defined in Section 26.5.

"NMTC Financing" means financing provided pursuant to the federal New Markets Tax Credit Program established by the Community Renewal Tax Relief Act of 2000, as amended.

"Opening Date" means the first day that Whole Foods Market is open for business for a period of one day in the Grocery Store on the Anchor Site.

"Operating Expenses" has the meaning defined in Section 26.5.

"Other Contract" has the meaning defined in Section 30.

"Outlot A" has the meaning defined in the Recitals.

"Outlot A Improvements" has the meaning defined in the Recitals.

"Outlot A Developer" means the purchaser of Outlot A from the Developer, which purchaser must be approved by the City as provided herein. If the Developer does not sell Outlot A but instead develops Outlot A itself, the Outlot A Developer will be the Developer.

"Outlot B" has the meaning defined in the Recitals.

"Outlot B Developer" means the purchaser of Outlot B from the Developer, which purchaser must be approved by the City as provided herein. If the Developer does not sell Outlot B but instead develops Outlot B itself, the Outlot B Developer will be the Developer.

"Outlot B Improvements" has the meaning defined in the Recitals.

"Outlot Buildings" means the buildings to be constructed on Outlot A and Outlot B.

"Outside Closing Date" has the meaning defined in Section 5.

"Owners" has the meaning defined in Section 30.

"Party" means either the City or the Developer, and "Parties" means the City and the Developer, collectively.

"PD" means Planned Development # 1227.

"Performance Deposit" has the meaning defined in Section 4.

"Permitted Liens" means those liens and encumbrances against the Property set forth on Exhibit H hereto.

"Phase I" has the meaning defined in the Recitals and more specifically means the Grocery Store, the Retail Building and related improvements located on the Anchor Site.

"Phase I Completion Certificate" means the Certificate of Completion for Phase I of the Project referenced in Section 14.2.

"Phase II" has the meaning defined in the Recitals and more specifically the Outlot A Improvements, the Outlot B Improvements and related improvements located on Outlot A and Outlot B, respectively.

"Phase II Completion Certificate" means the Certificate of Completion for Phase II of the Project referenced in Section 14.3.

"Plans and Specifications" means the final construction plans and specifications prepared by the Architect, as submitted to the City as the basis for obtaining Governmental Approvals for the Project, as such plans and specifications may be amended, revised and/or supplemented from time to time with the prior written approval of the City in accordance with Section 11.2 (Change Orders) hereof.

"Political fundraising committee" has the meaning defined in Section 30.

"Procurement Program" has the meaning defined in Section 24.3(a).

"Project" has the meaning defined in the Recitals.

"Project Budget" means the Developer's budget for the Project, attached as Exhibit I hereto as such budget may be modified from time to time with the prior written approval of the City.

"Project Expenditures" has the meaning defined in Section 26.5.

"Project Ordinance" has the meaning defined in the Recitals.

"Project Revenues" has the meaning defined in Section 26.5.

"Project Site" has the meaning defined in the Recitals.

"Proof of Financing" has the meaning defined in Section 9.

"Property" has the meaning defined in the Recitals.

"Purchase Price" has the meaning defined in Section 3.

"Reconveyance Deed" has the meaning defined in the Recitals.

"Redevelopment Area" has the meaning defined in the Recitals.

"Redevelopment Plan" has the meaning defined in the Recitals.

"Refinancing" has the meaning defined in Section 26.5.

"Released Claims" has the meaning defined in Section 23.3.

"Remediation Costs" means governmental or regulatory body response costs, natural resource damages, property damages, and the costs of any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon.

"Remediation Work" means all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the terms and conditions of the Draft NFR Letter for the Property, the SRP Documents, all requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws.

"Retail Building" has the meaning defined in the Recitals.

"Return on Equity" has the meaning defined in Section 26.5.

"Sale" has the meaning defined in Section 26.5.

"Scope Drawings" means preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Shakman Accord" has the meaning defined in Section 33.1.

"Site Improvements" has the meaning defined in the Recitals.

"Site Plan" has the meaning defined in the Recitals.

"SRP" means the IEPA's Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

"SRP Documents" means all documents submitted to the IEPA under the SRP program, as amended or supplemented from time to time, including, without limitation, that certain [Comprehensive Site Investigation and Remediation Objectives Report dated _____, that certain Remedial Action Plan dated _____, and that certain Remedial Action Completion Report dated _____].

"Sub-owners" has the meaning defined in Section 30.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM urban survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Project as required by the City or lender(s) providing Lender Financing).

"Tenant Space" has the meaning defined in the Recitals.

"Title Company" means _____.

"Title Commitment" has the meaning defined in Section 7.1.

"Title Policy" means a title insurance policy issued by the Title Company in the most recently revised ALTA or equivalent form, showing the Developer as the named insured with respect to the Property, noting the recording of this Agreement and a subordination agreement with respect to any Lender Financing for the Project (as described in Section 10.14 below) as encumbrances against the Property.

"Underassessment Complaint" has the meaning defined in Section 18.4.

"UST(s)" means underground storage tank(s) whether or not subject to Title 16 of the Illinois Environmental Protection Act, including without limitation (i) any underground storage tank as defined in 415 ILCS 5/57.2, (ii) any farm or residential tank of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes, (iii) any tank used for storing heating oil for consumption on the premises where stored, (iv) any septic tank, (v) any tank that is excluded from the definition in 415 ILCS 5/57.2 based upon the existence of any Hazardous Substance therein, and (vi) any pipes connected to items (i) through (v) above.

"Waste Sections" has the meaning defined in Section 31.

"Whole Foods Lease" has the meaning defined in the Recitals.

2.2 Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

(a) The terms defined in this Section 2 and elsewhere in this Agreement include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

(c) All references herein to "generally accepted accounting principles" refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.

(d) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.

(e) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any Section or other subdivision.

(f) The Section and subsection headings herein are for convenience only and shall not affect the construction hereof.

SECTION 3. PURCHASE PRICE.

The City hereby agrees to sell, and the Developer hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for the sum of $1.00 ("Purchase Price"). Except as specifically provided herein to the contrary, the Developer shall pay all escrow fees and other title insurance fees and closing costs. The Developer acknowledges and agrees that the Purchase Price is approximately $3,100,000 less than the fair market value of the Property ("Land Write-Down"). The purpose of the Land Write-Down is to facilitate the construction of the Project. The Developer acknowledges and agrees that the City has only agreed to provide the Land Write-Down because the Developer has agreed to execute this Agreement and comply with its terms and conditions, including, without limitation, the occupancy requirements set forth in Section 15.2.

SECTION 4. PERFORMANCE DEPOSIT.

The City acknowledges that the Developer has deposited with DPD the amount of $155,000, as security for the performance of its obligations under this Agreement ("Performance Deposit"). The City will return $100,000 of the Performance Deposit upon issuance of the Phase I Completion Certificate, and the remaining $55,000 upon issuance of the Phase II Completion Certificate. The City will pay no interest to the Developer on the Performance Deposit.

SECTION 5. CLOSING.

The Closing shall take place at the downtown offices of the Title Company within thirty (30) days after the Developer has satisfied all conditions precedent set forth in Section 10 hereof, unless DPD, in its sole discretion, waives such conditions (the "Closing Date"); provided, however, in no event shall the Closing occur any later than _____, 2015 (the "Outside Closing Date"), unless the Commissioner of DPD, in his sole discretion, extends such Outside Closing Date. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement.

SECTION 6. CONVEYANCE OF TITLE.

6.1 Form of City Deed. The City shall convey the Property to the Developer by quitclaim deed ("Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

(a) the Redevelopment Plan for the Redevelopment Area;

(b) the standard exceptions in an ALTA title insurance policy;

(c) general real estate taxes and any special assessments or other taxes;

(d) all easements, encroachments, covenants and restrictions of record and not shown of record;

(e) such other title defects as may exist; and

(f) any and all exceptions caused by the acts of the Developer or its Agents.

6.2 Recording. The Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to the Developer. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

SECTION 7. TITLE AND SURVEY.

7.1 Title Commitment and Insurance. Not less than seven (7) days before the anticipated Closing Date, the Developer shall obtain a commitment for an owner's policy of title insurance for the Property, issued by the Title Company ("Title Commitment"). The Developer shall be solely responsible for and shall pay all costs associated with updating the Title Commitment (including all search, continuation and later-date fees), and obtaining the Title Policy and any endorsements.

7.2 Survey. The Developer shall obtain a Survey of the Property at the Developer's sole cost and expense.

SECTION 8. BUILDING PERMITS AND OTHER GOVERNMENTAL APPROVALS.

The Developer represents that it has applied for all necessary building permits and other required permits and approvals (collectively, "Governmental Approvals") for the Project, and covenants and agrees to pursue such Governmental Approvals in good faith and with all due diligence.

SECTION 9. PROJECT BUDGET AND PROOF OF FINANCING.

The Developer has furnished to DPD, and DPD has approved, the Project Budget attached hereto as Exhibit I. The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 11.2 hereof. Not less than fourteen (14) days prior to the Closing Date, the Developer shall submit to DPD proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in amounts sufficient to complete the Project and satisfy its obligations under this Agreement ("Proof of Financing"). The Proof of Financing shall include binding commitment letters from the Developer's lenders, if any, and evidence of the Developer's ability to make an equity contribution in the amount of any gap in financing.

SECTION 10. CONDITIONS TO THE CITY'S OBLIGATION TO CLOSE.

The obligations of the City under this Agreement are contingent upon the delivery or satisfaction of each of the following items (unless waived by DPD in its sole discretion) at least fourteen (14) days prior to the Closing Date, unless another time period is specified below:

10.1 Final Acceptance of Site Improvements. The Developer has submitted final written approval of all Site Improvements and any other work performed by Chicago Neighborhood Initiatives on the Property in accordance with Exhibit C.

10.2 Lease. The Developer has provided copies of the Whole Foods Lease and any amendment thereto, and such lease shall be in full force and effect. The Developer has provided copies of any other tenant terms sheets, letters of intent or draft or final leases, whether executed or not, for leaseholds in the Project, if any.

10.3 Project Budget. The Developer has submitted to DPD, and DPD has approved, a Project Budget in accordance with the provisions of Section 9 hereof.

10.4 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in amounts sufficient to complete the Project and satisfy its obligations under this Agreement. The Developer has delivered to DPD a copy of the construction escrow agreement, if any, entered into by the Developer regarding the Lender Financing. The construction escrow agreement must provide that the City will receive copies of all construction draw request materials submitted by the Developer after the date of this Agreement. Any financing liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City stated in this Agreement pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, in the Office of the Recorder of Deeds of Cook County.

10.5 Financial Statements. The Developer has provided Financial Statements to DPD for its 2013 and 2014 fiscal years, if available, and its most recently available unaudited interim Financial Statements.

10.6 Scope Drawings and Plans and Specifications. The Developer has submitted to DPD, and DPD has approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 11.1 hereof.

10.7 Governmental Approvals. The Developer has secured all necessary Governmental Approvals and has submitted evidence thereof to DPD.

10.8 Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit H hereto and evidences the recording of this Agreement. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including, but not limited to, an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey.

10.9 Survey. The Developer has furnished the City with a copy of the Survey.

10.10 Insurance. The Developer has submitted to the City, and the City has approved, evidence of insurance coverage as required in Exhibit J.

10.11 Legal Opinion. The Developer has submitted to the Corporation Counsel, and the Corporation Counsel has approved, an opinion of counsel substantially in the form of Exhibit K, with such changes as may be required by or acceptable to Corporation Counsel, of due authorization, execution and enforceability (subject to bankruptcy and creditor's rights) of this Agreement and all other documentation signed by the Developer provided for herein.

10.12 Due Diligence. The Developer has submitted to the Corporation Counsel the following due diligence searches in its name, showing no unacceptable liens, litigation, judgments or filings, as reasonably determined by the Corporation Counsel, against the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments
U. S. Bankruptcy Court	Bankruptcy Search

In addition, the Developer has provided to the Corporation Counsel a written description of all pending or threatened litigation or administrative proceedings involving the Developer or any person holding an ownership interest in the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

10.13 Organization and Authority Documents. The Developer has submitted to the Corporation Counsel a copy of its current Certificate of Limited Partnership, including all amendments thereto, as furnished and certified by the Illinois Secretary of State; a copy of the agreement of limited partnership by and among the partners of the Developer, as certified by the general partner of the limited partnership; resolutions authorizing the Developer to execute and deliver this Agreement and any other documents required to complete the transaction contemplated by this Agreement and to perform its obligations under this Agreement; a certificate of good standing from the Illinois Secretary of State and all other states in which the Developer is qualified to do business dated no more than thirty (30) days prior to the Closing; and such other organizational documents as the City may reasonably request.

10.14 Economic Disclosure Statement. The Developer has provided to the Corporation Counsel an Economic Disclosure Statement (or more than one if required by the ownership structure), in the City's then current form, dated as of the Closing Date.

10.15 Subordination Agreement. The Developer has provided to the Corporation Counsel a subordination agreement in a form reasonably acceptable to the City, to be executed and recorded on or prior to the Closing Date, subordinating any liens against the Property related to the Lender Financing, if any, to certain encumbrances of the City set forth herein.

10.16 MBE/WBE and City Residency Hiring Compliance Plan. The Developer and the Developer's General Contractor and all major subcontractors have met with staff from DPD regarding compliance with the MBE/WBE, city residency hiring and other requirements set forth in Section 24, and DPD has approved the Developer's compliance plan in accordance with Section 24.4.

10.17 Reconveyance Deed. On the Closing Date, the Developer shall deliver the Reconveyance Deed to the City for possible recording in accordance with Section 20 below, if applicable.

10.18 Representations and Warranties. On the Closing Date, each of the representations and warranties of the Developer in Section 25 and elsewhere in this Agreement shall be true and correct.

10.19 Other Obligations. On the Closing Date, the Developer shall have performed all of the other obligations required to be performed by the Developer under this Agreement as and when required under this Agreement.

If any of the conditions in this Section 10 have not been satisfied to DPD's reasonable satisfaction within the time periods provided for herein, DPD may, at its option, upon thirty (30) days' prior written notice to Developer, terminate this Agreement at any time after the expiration of the applicable time period, in which event this Agreement shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation

hereunder; provided, however, that if within said thirty (30) day notice period Developer satisfies said condition(s), then the termination notice shall be deemed to have been withdrawn. Any forbearance by DPD in exercising its right to terminate this Agreement upon a default hereunder shall not be construed as a waiver of such right.

SECTION 11. CONSTRUCTION REQUIREMENTS.

11.1 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 11.2 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable Laws. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project. The Developer shall construct the Project in accordance with the Scope Drawings and Plans and Specifications.

11.2 All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to a material change to the Project must be submitted by the Developer to DPD for DPD's prior written approval. As used in the preceding sentence, a "material change to the Project" means (a) an increase or reduction in the gross or net square footage of the Grocery Store or the Retail Building by more than 5%; (b) a change in the definition of the Project; (c) a delay in the completion of the Project by more than 120 days; (d) any changes to the location and number of Outlots, ownership and location of the private road, loss of parking spaces, square footage of Retail Building, and height of Retail Building; or (e) Change Orders that, in the aggregate, increase or decrease the Project Budget by more than 5%. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DPD's written approval (to the extent required in this section). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect.

11.3 Performance and Payment Bonds. Prior to the commencement of construction of any portion of the Project involving work in the public way or work that constitutes a "public work" under applicable state law and is required to be bonded under such state law, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

11.4 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and cause the General Contractor and each subcontractor to abide by the terms set forth in Section 11.6 (Prevailing Wage), Section 24.2 (City Resident Construction Worker Employment Requirement) and Section 24.3 (MBE/WBE Commitment) of this Agreement. The Developer shall deliver to the City written progress reports detailing compliance with such requirements. Such reports shall be delivered to the City when Phase I is 50% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget), and when Phase II is 50% and 100% completed. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which

shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

11.5 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor, to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department of Labor revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer, the General Contractor and any subcontractors to evidence compliance with this Section 11.5.

11.6 Relocation of Utilities, Curb Cuts and Driveways. Other than facilities which the City (or its agents) will provide prior to Closing as specified in Exhibit C, the Developer shall be solely responsible for and shall pay all costs associated with: (a) the relocation, installation or construction of public or private utilities, curb cuts and driveways; (b) the repair or reconstruction of any curbs, vaults, sidewalks or parkways required in connection with or damaged as a result of the Developer's construction of the Project; (c) the removal of existing pipes, utility equipment or building foundations; and (d) the termination of existing water or other utility services. The City shall have the right to approve any streetscaping provided by the Developer as part of the Project, including, without limitation, any paving of sidewalks, landscaping and lighting.

11.7 City's Right to Inspect Property. For the period commencing on the Closing Date and continuing through the date the City issues the Phase II Completion Certificate, any authorized representative of the City shall have access to all portions of the Project and the Property at all reasonable times for the purpose of determining whether the Developer is constructing the Project in accordance with the terms of this Agreement and all applicable Laws.

11.8 Barricades and Signs. The Developer shall, at its sole cost and expense, erect and maintain such signs as the City may reasonably require during the Project, identifying the site as a City redevelopment project. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications. Prior to the commencement of any construction activity requiring barricades, the Developer shall install barricades of a type and appearance satisfactory to the City and constructed in compliance with all applicable Laws. DPD shall have the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades. The Developer shall erect all signs and barricades so as not to interfere with or affect any bus stop or train station in the vicinity of the Property.

11.9 Survival. The provisions of this Section 11 shall survive the Closing.

SECTION 12. LIMITED APPLICABILITY.

Any approval given by DPD pursuant to this Agreement is for the purpose of this Agreement only and does not constitute the approval required by the City's Department of Buildings or any other City department, nor does such approval constitute an approval of the quality, structural soundness or safety of any improvements located or to be located on the

Property, or the compliance of said improvements with any Laws, private covenants, restrictions of record, or any agreement affecting the Property or any part thereof.

SECTION 13. COMMENCEMENT AND COMPLETION OF PROJECT.

13.1 Phase I. The Developer shall commence construction of Phase I of the Project no later than three (3) months after the Closing Date, and shall complete Phase I (as evidenced by the issuance of the Phase I Completion Certificate) no later than eighteen (18) months after the Phase I construction commencement date; provided, however, DPD, in its sole discretion, may extend the construction commencement and completion dates by up to six (6) months each (or twelve (12) months in the aggregate). The estimated construction schedule for Phase I is attached hereto as Exhibit L. The Developer shall construct Phase I in accordance with this Agreement, the Redevelopment Plan, the PD, the Plans and Specifications, the Project Budget, and all applicable Laws and covenants and restrictions of record.

13.2 Phase II The Developer shall commence construction of Phase II of the Project no later than twelve (12) months after the date the City issues a Phase I Completion Certificate, and shall complete Phase II (as evidenced by the issuance of the Phase II Completion Certificate) no later than eighteen (18) months after the Phase II construction commencement date; provided, however, DPD, in its sole discretion, may extend the construction commencement and completion dates by up to six (6) months each (or twelve (12) months in the aggregate). The estimated construction schedule for Phase II is attached hereto as Exhibit L as an example with the actual overall timing for Phase II being governed by the provisions of this Section 13.2. The Developer shall construct Phase II in accordance with this Agreement, the Redevelopment Plan, the PD, the Plans and Specifications, the Project Budget, and all applicable Laws and covenants and restrictions of record.

SECTION 14. CERTIFICATE OF COMPLETION OF CONSTRUCTION.

14.1 Upon satisfaction of the requirements set forth in this Section 14 for each Phase of the Project, and upon the Developer's written request, which shall include a final Project budget detailing the total actual cost of the construction of the applicable Phase (the "Final Project Cost"), DPD shall issue to the Developer a certificate of completion for the applicable Phase ("Certificate of Completion") in recordable form certifying that the Developer has fulfilled its obligation to complete the applicable Phase of the Project in accordance with the terms of this Agreement.

14.2 A Certificate of Completion for Phase I of the Project ("Phase I Completion Certificate") will not be issued until the following requirements have been satisfied:

(a) Developer has completed construction of the core and shell of the Grocery Store and the Retail Building in accordance with the approved Plans and Specifications, and Whole Foods has accepted possession of the Grocery Store.

(b) Developer has executed leases for at least seventy five percent (75%) of the net rentable square footage of the Retail Building.

(c) Developer has obtained the Final NFR Letter for the Anchor Site.

(d) Developer is in full compliance with all requirements of the PD.

(e) The City's Monitoring and Compliance Unit has verified in writing that the Developer is in full compliance with all City requirements set forth in Section 11.6 (Prevailing Wage), Section 24.2 (City Resident Construction Worker Employment Requirement) and Section 24.3 (MBE/WBE Commitment) with respect to Phase I of the Project.

(f) There exists neither an Event of Default nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

14.3 A Certificate of Completion for Phase II of the Project ("Phase II Completion Certificate") will not be issued until the following requirements have been satisfied:

(a) The City has issued the Phase I Completion Certificate.

(b) The Grocery Store has been fully constructed in accordance with the approved Plans and Specifications and has received a Certificate of Occupancy or other evidence acceptable to DPD that the Grocery Store is in full compliance with all building permit requirements.

(c) A lease between the Developer and Whole Foods Market for the Grocery Store is in full force and effect (or another full-service grocery store has entered into a lease with the Developer to replace Whole Foods Market, opened for business, and is fully operational), and no less than 75% of the net rentable square footage of the Retail Building is occupied.

(d) Developer has completed the site improvements and landscaping throughout the Project Site in accordance with the approved Plans and Specifications and the PD.

(e) Developer has completed construction of the Outlot A Improvements and the Outlot B Improvements in accordance with the approved Plans and Specifications and the PD.

(f) Developer has obtained the Final NFR Letter for the Outlots.

(g) Developer is in full compliance with all requirements of the PD.

(h) The City's Monitoring and Compliance Unit has verified in writing that the Developer is in full compliance with all City requirements set forth in Section 11.6 (Prevailing Wage), Section 24.2 (City Resident Construction Worker Employment Requirement) and Section 24.3 (MBE/WBE Commitment) with respect to the Project.

(i) There exists neither an Event of Default nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

14.4 Within forty-five (45) days after receipt of a written request by the Developer for a Certificate of Completion, the City shall provide the Developer with either the Certificate of

Completion or a written statement indicating in adequate detail how the Developer has failed to complete the applicable Phase in conformity with this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the sole opinion of the City, for the Developer to take or perform in order to obtain the Certificate of Completion. If the City requires additional measures or acts to assure compliance, the Developer shall resubmit a written request for the Certificate of Completion upon compliance with the City's response. The Certificate of Completion shall be in recordable form, and shall, upon recording, constitute a conclusive determination of satisfaction and termination of the covenants in this Agreement and the Deed with respect to the Developer's obligations to construct the applicable Phase. The Certificate of Completion shall not, however, constitute evidence that the Developer has complied with any Laws relating to the construction of the Project, and shall not serve as any "guaranty" as to the quality of the construction. Nor shall the Certificate of Completion release the Developer from its obligation to comply with the other terms, covenants and conditions of this Agreement, except to the extent otherwise provided by this Agreement.

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

14.6 Inspection Rights. From the Closing Date through the expiration of the Extended Compliance Period, upon prior written notice of at least three (3) business days, any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the purpose of confirming the Developer's compliance with the Agreement.

SECTION 15. RESTRICTIONS ON USE.

The Developer, for itself and its successors and assigns, covenants and agrees as follows:

15.1 Use. The Developer shall use the Property in compliance with the Redevelopment Plan.

15.2 Occupancy Covenants.

(a) Grocery Store. From the Opening Date through the expiration of the Initial Compliance Period, a lease between the Developer and Whole Foods Market for the Grocery Store is in full force and effect, or another full-service grocery store has entered into a lease with the Developer to replace Whole Foods Market, opened for business, and is fully operational.

(b) Retail Center. Commencing on the one-year anniversary of the Opening Date and continuing through the expiration of the Initial Compliance Period, the Developer shall maintain, on an annual basis, an average minimum occupancy in the Retail Building equal to seventy-five percent (75%) of the net rentable square footage of the Retail Building; provided, however, if the Grocery Store goes dark, the average minimum occupancy requirement shall be reduced to fifty percent (50%) of such square footage.

(c) Outlot Buildings. Commencing on the date the City issues the Phase II Completion Certificate and continuing through the expiration of the Initial Compliance Period, the Developer shall maintain, on an annual basis, an average minimum occupancy in the Retail Building and the Outlot Buildings, collectively, equal to seventy-five percent (75%) of the combined net rentable square footage of the Retail Building and Outlot Buildings; provided, however, if the Grocery Store goes dark, the average minimum occupancy requirement shall be reduced to fifty percent (50%) of such combined square footage. If the Developer sells an Outlot Building, the square footage of such building shall not be included in such combined square footage.

(d) Prohibited Uses. From the Opening Date through the expiration of the Extended Compliance Period, the Developer shall not lease any space in the Project to tenants whose operations include any prohibited uses, as identified in the PD.

(e) Occupancy Report. On or before January 31 of each year following the Opening Date and continuing through the expiration of the Initial Compliance Period, an authorized officer of the Developer shall provide the City a sworn statement that the Developer is and has been in compliance with the occupancy requirements set forth in this Section 15.2 for the preceding calendar year.

15.3 Job Readiness Program. The Developer shall undertake, and shall encourage Whole Foods Market and require any other tenants in the Project to work with the City, through DPD's Workforce Unit, to participate in job training programs to provide job applicants for the jobs created by the Project. Such tenants shall be expected to interview qualified candidates referred to it by the Workforce Unit for job openings, but will not be required to train or hire any specified number of job candidates from the Workforce Unit.

15.4 Final NFR. The Developer shall comply with all land use restrictions, institutional controls and other terms and conditions contained in the Final NFR Letter.

15.5 Non-Discrimination. The Developer shall not discriminate on the basis of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, or source of income in the sale, lease, rental, use or occupancy of the Property or the Project or any part thereof.

The Developer, for itself and its successors and assigns, acknowledges and agrees that the development and use restrictions set forth in this Section 15 constitute material, bargained-for consideration for the City and are intended to further the public policies set forth in the Redevelopment Plan.

SECTION 16. PROHIBITION AGAINST SALE OR TRANSFER OF PROJECT SITE.

16.1 Prior to the issuance of the Phase II Completion Certificate, the Developer may not, without the prior written consent of DPD, which consent shall be in DPD's sole discretion: (a) directly or indirectly sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or all or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) or any interest therein or the Developer's controlling interests therein (including, without limitation, a transfer by assignment of any beneficial interest under a land trust), except for the Whole Foods Lease, leases of Tenant Space in the Retail Building, and leases or sales of Outlot A, Outlot B and/or the Outlot Buildings that comply with the requirements of this Agreement; or (b) directly or indirectly assign this Agreement. The Developer acknowledges and agrees that DPD may withhold its consent under (a) or (b) above if, among other reasons, the proposed purchaser, transferee or assignee (or such entity's principal officers or directors) is in violation of any Laws, or if the Developer fails to submit sufficient evidence of the financial responsibility, business background and reputation of the proposed purchaser, transferee or assignee. If the Developer is a business entity, no principal party of the Developer (e.g., a general partner, member, manager or shareholder) may sell, transfer or assign any of its interest in the entity prior to the issuance of the Phase II Completion Certificate to anyone other than another principal party, without the prior written consent of DPD, which consent shall be in DPD's sole discretion. The Developer must disclose the identity of all limited partners to the City at the time such limited partners obtain an interest in the Developer.

16.2 Following the issuance of the Phase II Completion Certificate until the expiration of the Extended Compliance Period, the Developer shall notify the City of any proposed sale of any component of the Project.

SECTION 17. MORTGAGES AND OTHER LIENS.

17.1 Limitation upon Encumbrance of Project Site. Prior to the issuance of the Phase II Completion Certificate, the Developer may not, without the prior written consent of DPD, which consent shall be in DPD's sole discretion, engage in any financing or other transaction which would create an encumbrance or lien on the Property, except for any Lender Financing approved pursuant to Section 9, which shall be limited to funds necessary to construct the Project.

17.2 Mortgagees Not Obligated to Construct. Notwithstanding any other provision of this Agreement or of the Deed, the holder of any mortgage authorized by this Agreement (or any affiliate of such holder) shall not itself be obligated to construct or complete the Project, or to guarantee such construction or completion, but shall be bound by the other covenants running with the land specified in Section 19 and, at Closing, shall execute a subordination agreement in accordance with Section 10.10. If any such mortgagee or its affiliate succeeds to the Developer's interest in the Property prior to the issuance of the Phase II Completion Certificate, whether by foreclosure, deed-in-lieu of foreclosure or otherwise, and thereafter transfers its interest in the Property to another party, such transferee shall be obligated to complete the Project, and shall also be bound by the other covenants running with the land specified in Section 19.

SECTION 18. REAL ESTATE TAXES.

18.1 Acknowledgment of Real Estate Taxes. The Developer agrees that (a) for the purpose of this Agreement, the total projected minimum assessed value of the Property ("Minimum Assessed Value") is shown on Exhibit M attached hereto for the years noted on Exhibit M; (b) Exhibit M sets forth the specific portions of the Property which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (c) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit M.

18.2 Real Estate Tax Exemption. Neither the Developer nor any agent, representative, lessee, assignee, transferee or successor in interest to the Developer shall, prior to the expiration of the Extended Compliance Period, seek or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

18.3 No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, assignee, transferee or successor in interest to the Developer shall, prior to the expiration of the Extended Compliance Period, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the sum of (a) the Minimum Assessed Value as shown in Exhibit M for the applicable year plus (b) 25% of the Minimum Assessed Value.

18.4 No Objections. Neither the Developer nor any agent, representative, lessee, assignee, transferee or successor in interest to the Developer shall, prior to the expiration of the Extended Compliance Period, object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any underassessment complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the sum of (a) the Minimum Assessed Value as shown in Exhibit M for the applicable year plus (b) 25% of the Minimum Assessed Value.

18.5 Covenants Running with the Land. The parties agree that the restrictions contained in this Section 18 are covenants running with the land and shall be binding upon the Developer and its agents, representatives, lessees, assignees, transferees and successors in interest from and after the date hereof through the expiration of the Extended Compliance Period. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or the Project from and after the date hereof shall be made explicitly subject to such covenants and restrictions, and the Developer agrees to provide DPD with evidence of such explicit language prior to the execution of any lease, deed or other instrument transferring title to all or any portion of the Property or the Project. Notwithstanding anything contained in this Section 18 to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 18. In the event Developer (or any of its agents, representatives, lessees, assignees, transferees or successors in interest) shall violate the covenants and agreements set forth in this Section 18, the City shall have all remedies available at law or in equity against Developer (or its agents, representatives, lessees, assignees, transferees or successors in interest) for any outstanding amounts due the City in the default year as well as any future years impacted by such appeal.

SECTION 19. COVENANTS RUNNING WITH THE LAND.

The Parties agree, and the Deed shall so expressly provide, that the covenants, agreements, releases and other terms and provisions contained in Section 13 (Commencement and Completion of Project), Section 15 (Restrictions on Use), Section 16 (Prohibition Against Sale or Transfer of Property), Section 17 (Limitation Upon Encumbrance of Property), and Section 23.4 (Release for Environmental Conditions), touch and concern and shall be appurtenant to and shall run with the Property. Such covenants, agreements, releases and other terms and provisions shall be binding on the Developer and its successors and assigns (subject to the limitation set forth in Section 17 above as to any permitted mortgagee) to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. Such covenants, agreements, releases and other terms and provisions shall terminate as follows: Section 13.1 upon the issuance of the Phase I Completion Certificate; Sections 13.2, 16.1 and 17 upon the issuance of the Phase II Completion Certificate; Section 15.1 upon the expiration of the Redevelopment Plan; Sections 15.2 (a), (b), (c) and (e) upon the expiration of the Initial Compliance Period; Sections 15.2(d), 15.3, 16.2 and 18 upon the expiration of the Extended Compliance Period; Section 15.4 in accordance with the terms of the Final NFR Letter; and Sections 15.5 and 23.4 with no limitation as to time.

SECTION 20. PERFORMANCE AND BREACH.

20.1 Time of the Essence. Time is of the essence in the Developer's performance of its obligations under this Agreement.

20.2 Event of Default. The occurrence of any one or more of the following events or occurrences shall constitute an "Event of Default" under this Agreement:

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

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

(c) the making or furnishing by the Developer of any warranty, representation, statement, certification, schedule or report to the City (whether in this Agreement, an Economic Disclosure Statement, or another document) which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment

or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing, for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

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

(g) the entry of any judgment or order against the Developer which is related to the Property and remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of the Developer;

(j) the occurrence of a material and adverse change in the Developer's financial condition or operations;

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

(l) except as set forth in Section 16 hereof, the sale or transfer of the ownership interests of the Developer without the prior written consent of the City prior to the issuance of the Phase II Certificate of Completion;

(m) non-compliance with the use and occupancy covenants as set forth in Section 15 hereof; or

(n) the Developer has not delivered evidence satisfactory to the City of compliance with the "City of Chicago's Sustainable Development Policy Matrix," as set forth in Statement 15 of the PD, including: (i) Retail Building shall be LEED certified and include a 50% green roof; (ii) Grocery Store shall exceed ASHRAE 90.1-2004 standards by at least 14%, (iii) 50% of all vehicular use areas shall be shaded in five years from date of PD, and (iv) Outlot Buildings shall be LEED certified if total square footage is 10,000 square feet or more.

For purposes of Section 20.2(k) hereof, a person with a material interest in the Developer shall be one owning in excess of ten (10%) of the Developer's membership interests.

20.3 Cure. If the Developer defaults in the performance of its obligations under this Agreement, the Developer shall have thirty (30) days after written notice of default from the City to cure the default, or such longer period as shall be reasonably necessary to cure such default provided the Developer promptly commences such cure and thereafter diligently pursues such cure to completion (so long as continuation of the default does not create material risk to the Project or to persons using the Project). Notwithstanding the foregoing or any other provision of this Agreement to the contrary:

(a) there shall be no notice requirement with respect to Events of Default described in Section 5 (with respect to Outside Closing Date); and

(b) there shall be no notice requirement or cure period with respect to Events of Default described in Section 13 (Commencement and Completion of Project), Section 16 (Prohibition Against Transfer of Property) and Section 17 (Limitation Upon Encumbrance of Property); and

(c) the Developer shall have eighteen (18) months to cure any Event of Default under Section 15.2 (a)-(c).

20.4 After Closing. If an Event of Default occurs after the Closing, and the default is not cured in the time period provided for in Section 20.3 above, the City may terminate this Agreement and pursue and secure any available remedy in any court of competent jurisdiction by any action or proceeding at law or in equity, including, but not limited to, damages, injunctive relief, the specific performance of the agreements contained herein, and the right to revest title to the Property in the City pursuant to the Reconveyance Deed; provided, however, the City's right to revest title in the City pursuant to the Reconveyance Deed shall terminate upon the issuance of the Phase II Completion Certificate, and provided further that the recording of the Reconveyance Deed shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement. If the Reconveyance Deed is recorded by the City, the Developer shall be responsible for all real estate taxes and assessments which accrued during the period the Property was owned by the Developer, and shall cause the release of all liens or encumbrances placed on the Property during the period of time the Property was owned by the Developer. The Developer will cooperate with the City to ensure that if the City records the Reconveyance Deed, such recording is effective for purposes of transferring title to the Property to the City, subject only to those title exceptions that were on title as of the date and time that the City conveyed the Property to the Developer and any subsequent liens or exceptions expressly authorized by this Agreement or approved by the Commissioner in accordance with the terms of this Agreement (collectively, "Default Title Exceptions").

20.5 Resale of the Property. Upon the reconveyance of title to the Property to the City as provided in Section 20.4, the City may complete the Project or convey the Property, subject to any Default Title Exceptions, to a qualified and financially responsible party reasonably acceptable to the first mortgagee, who shall assume the obligation of completing the Project or such other improvements as shall be satisfactory to DPD, and otherwise comply with the covenants that run with the land as specified in Section 19.

20.6 Disposition of Resale Proceeds. If the City sells the Property as provided for in Section 20.5, the net proceeds from the sale, after payment of all amounts owed under any mortgage liens authorized by this Agreement in order of lien priority, shall be utilized to reimburse the City for:

(a) costs and expenses incurred by the City (including, without limitation, salaries of personnel) in connection with the recapture, management and resale of the Property (less any income derived by the City from the Property in connection with such management); and

(b) all unpaid taxes, assessments, and water and sewer charges assessed against the Property; and

(c) any payments made (including, without limitation, reasonable attorneys' fees and court costs) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer; and

(d) any expenditures made or obligations incurred with respect to construction or maintenance of the Project; and

(e) any other amounts owed to the City by the Developer.

The Developer shall be entitled to receive any remaining proceeds up to the amount of the Developer's equity investment in the Property.

SECTION 21. CONFLICT OF INTEREST; CITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

The Developer represents and warrants that no agent, official or employee of the City shall have any personal interest, direct or indirect, in the Developer, this Agreement, the Property or the Project, nor shall any such agent, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, association or other entity in which he or she is directly or indirectly interested. No agent, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or with respect to any commitment or obligation of the City under the terms of this Agreement.

SECTION 22. INDEMNIFICATION.

The Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees and agents (individually, an "Indemnitee," and collectively the "Indemnitees") harmless from and against any and all Losses in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto, that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of: (a) the failure of the Developer to comply with any of the terms, covenants and conditions contained within this Agreement; (b) the failure of the Developer or any Agent of the Developer to pay

contractors, subcontractors or material suppliers in connection with the construction and management of the Project; (c) the existence of any material misrepresentation or omission in this Agreement or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Agent or Affiliate of the Developer; (d) the Developer's failure to cure any misrepresentation in this Agreement or any other document relating hereto; and (e) any activity undertaken by the Developer or any Agent or Affiliate of the Developer on the Property prior to or after the Closing. This indemnification shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 23. ENVIRONMENTAL MATTERS.

23.1 "AS IS" SALE. THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY (AND ANY IMPROVEMENTS THEREON). THE DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE DEVELOPER AGREES THAT IT IS THE DEVELOPER'S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

23.2 Environmental Remediation. The City has enrolled the Property in the IEPA's SRP Program and obtained a Draft NFR Letter. The Developer covenants and agrees to take all necessary and proper steps to obtain a Final NFR Letter for the Property in accordance with the SRP Documents. The Developer shall cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters, including, without limitation, with respect to the preparation and approval of the Remedial Action Completion Report. The Developer shall bear sole responsibility for all aspects of the Remediation Work, and shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees that the City will not issue a Phase I Completion Certificate until the IEPA has issued, and the City has approved, a Final NFR Letter for the Property, which approval shall not be unreasonably withheld.

23.3 Release and Indemnification. The Developer, on behalf of itself and the other Developer Parties, or anyone claiming by, through, or under the Developer Parties, hereby releases, relinquishes and forever discharges the City from and against any and all Losses which the Developer or any of the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of

whatever kind or nature, whether known or unknown, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the Property or the migration of Hazardous Substances from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend, indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

23.4 Release Runs with the Land. The covenant of release in Section 23.3 shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or any of the Developer Parties, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer, nor any of the Developer Parties, will assert that those obligations must be satisfied in whole or in part by the City because Section 23.3 contains a full, complete and final release of all such claims.

23.5 Survival. This Section 23 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

SECTION 24. DEVELOPER'S EMPLOYMENT OBLIGATIONS.

24.1 Employment Opportunity. The Developer agrees, and shall contractually obligate its various contractors, subcontractors and any Affiliate of the Developer operating on the Property (collectively, the "Employers" and individually, an "Employer") to agree, that with respect to the provision of services in connection with the construction of the Project:

(a) Neither the Developer nor any Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Section 2-160-010 et seq. of the Municipal Code, as amended from time to time (the "Human Rights Ordinance"). The Developer and each Employer shall take affirmative action to ensure that applicants are hired and employed

without discrimination based upon the foregoing grounds, and are treated in a non-discriminatory manner with regard to all job-related matters, including, without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer and each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Developer and each Employer, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon the foregoing grounds.

(b) To the greatest extent feasible, the Developer and each Employer shall (i) present opportunities for training and employment of low and moderate income residents of the City, and (ii) provide that contracts for work in connection with the construction of the Project be awarded to business concerns which are located in or owned in substantial part by persons residing in, the City.

(c) The Developer and each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including, without limitation, the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), both as amended from time to time, and any regulations promulgated thereunder.

(d) The Developer, in order to demonstrate compliance with the terms of this Section 24.1, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) The Developer and each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the construction of the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 24.1 shall be a basis for the City to pursue remedies under the provisions of Section 20.

24.2 City Resident Employment Requirement.

(a) The Developer agrees, and shall contractually obligate each Employer to agree, that during the construction of the Project, the Developer and each Employer shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 2-92-330 of the Municipal Code (at least fifty percent); provided, however, that in addition to complying with this percentage, the Developer and each Employer shall be required to make good faith

efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

(b) The Developer and the Employers may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code in accordance with standards and procedures developed by the chief procurement officer of the City of Chicago.

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

(d) The Developer and the Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the construction of the Project. The Developer and the Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

(e) The Developer and the Employers shall submit weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) to DPD in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Developer or Employer hired the employee should be written in after the employee's name.

(f) The Developer and the Employers shall provide full access to their employment records to the chief procurement officer, DPD, the Superintendent of the Chicago Police Department, the inspector general, or any duly authorized representative thereof. The Developer and the Employers shall maintain all relevant personnel data and records for a period of at least three (3) years after the issuance of the Phase II Completion Certificate.

(g) At the direction of DPD, the Developer and the Employers shall provide affidavits and other supporting documentation to verify or clarify an employee's actual address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of the Developer and the Employers to provide work for actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the chief procurement officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section 24.2 concerning the worker hours performed by actual Chicago residents.

(i) If the City determines that the Developer or an Employer failed to ensure the fulfillment of the requirements of this Section 24.2 concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section 24.2. If such non-compliance is not remedied in accordance with the breach and cure

provisions of Section 20.3, the parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Budget shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employees to prosecution.

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

(k) The Developer shall cause or require the provisions of this Section 24.2 to be included in all construction contracts and subcontracts related to the construction of the Project.

24.3 Developer's MBE/WBE Commitment. The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree, that during the construction of the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 24.3, during the course of construction of the Project, at least 24% of the aggregate hard construction costs shall be expended for contract participation by minority-owned businesses and at least 4% of the aggregate hard construction costs shall be expended for contract participation by women-owned businesses.

(b) For purposes of this Section 24.3 only:

(i) The Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code, as applicable.

(ii) The term "minority-owned business" or "MBE" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned

business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(iii) The term "women-owned business" or "WBE" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture, or (ii) the amount of any actual work performed on the Project by the MBE or WBE); by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor); by subcontracting or causing the General Contractor to subcontract a portion of the construction of the Project to one or more MBEs or WBEs; by the purchase of materials or services used in the construction of the Project from one or more MBEs or WBEs; or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 24.3. In accordance with Section 2-92-730, Municipal Code, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of DPD.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the construction of the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the construction of the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the construction of the Project for at least five (5) years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on prior notice of at least five (5) business days, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the construction of the Project.

(e) Upon the disqualification of any MBE or WBE general contractor or subcontractor, if the disqualified party misrepresented such status, the Developer shall be obligated to discharge or cause to be discharged the disqualified general contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a

replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code, as applicable.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 24.3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code, as applicable.

24.4 Pre-Construction Conference and Post-Closing Compliance Requirements. Not less than fourteen (14) days prior to the Closing Date, the Developer and the Developer's General Contractor and all major subcontractors shall meet with DPD monitoring staff regarding compliance with all Section 24 requirements. During this pre-construction meeting, the Developer shall present its plan to achieve its obligations under this Section 24, the sufficiency of which the City's monitoring staff shall approve as a precondition to the Closing. During the construction of the Project, the Developer shall submit all documentation required by this Section 24 to the City's monitoring staff, including, without limitation, the following: (a) subcontractor's activity report; (b) contractor's certification concerning labor standards and prevailing wage requirements; (c) contractor letter of understanding; (d) monthly utilization report; (e) authorization for payroll agent; (f) certified payroll; (g) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (h) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 24, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (x) issue a written demand to the Developer to halt construction of the Project, (y) withhold any further payment of any City funds to the Developer or the General Contractor, or (z) seek any other remedies against the Developer available at law or in equity.

SECTION 25. REPRESENTATIONS AND WARRANTIES.

25.1 Representations and Warranties of the Developer. To induce the City to execute this Agreement and perform its obligations hereunder, the Developer represents, warrants and covenants, as of the Effective Date and as of the Closing Date, that the following shall be true, accurate and complete in all respects:

(a) The Developer is an Illinois limited partnership duly organized, validly existing, and in good standing under the laws of the State of Illinois, with full power and authority to acquire, own and redevelop the Property, and the person signing this Agreement on behalf of the Developer has the authority to do so.

(b) All certifications and statements contained in the Economic Disclosure Statements submitted to the City by the Developer (and any legal entity holding an interest in the Developer) are true, accurate and complete.

(c) The Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement. The Developer's execution, delivery and performance of this Agreement, and all instruments and agreements contemplated hereby, have been duly authorized by all necessary action, and do not and will not violate its certificate of partnership or partnership agreement (as amended and

supplemented), or any applicable Laws, nor will such execution, delivery and performance, upon the giving of notice or lapse of time or both, result in a breach or violation of, or constitute a default under, or require any consent under, any other agreement, instrument or document to which the Developer, or any party affiliated with the Developer, is a party or by which the Developer or the Property is now or may become bound.

(d) No action, litigation, investigation or proceeding of any kind is pending or threatened against the Developer, or any party affiliated with the Developer, by or before any court, governmental commission, board, bureau or any other administrative agency, and the Developer knows of no facts which could give rise to any such action, litigation, investigation or proceeding, which could: (i) affect the ability of the Developer to perform its obligations hereunder; or (ii) materially affect the operation or financial condition of the Developer.

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

(f) The Developer has and shall maintain all Governmental Approvals necessary to conduct its business and to construct, complete and operate the Project.

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

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

(i) The Project will not violate: (i) any applicable Laws, including, without limitation, any zoning and building codes and Environmental Laws; or (ii) any building permit, restriction of record or other agreement affecting the Property.

(j) Prior to the expiration of the Extended Compliance Period, the Developer shall not do any of the following without the prior written consent of the Commissioner of DPD, which shall be in the Commissioner's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) enter into any transaction outside the ordinary course of the Developer's business; (3) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (4) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition.

(k) Prior to the issuance of the Phase II Completion Certificate, the Developer shall not do any of the following without the prior written consent of the Commissioner of DPD, which shall be in the Commissioner's sole discretion: (1) allow

the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or (2) incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget.

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

(m) Neither the Developer nor any Affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

25.2 Representations and Warranties of the City. To induce the Developer to execute this Agreement and perform its obligations hereunder, the City hereby represents and warrants to the Developer that the City has authority under its home rule powers to execute and deliver this Agreement and perform the terms and obligations contained herein.

25.3 Survival of Representations and Warranties. Each of the parties agrees that all warranties, representations, covenants and agreements contained in this Section 25 and elsewhere in this Agreement are true, accurate and complete as of the Effective Date and shall survive the Effective Date and shall be in effect until the expiration of the Extended Compliance Period.

SECTION 26. PROFIT-SHARING.

26.1 Annual Payments. Not more than sixty (60) days after the end of each fiscal year within the Initial Compliance Period, the Developer shall make a payment (the "Annual Payment") to the City in an amount equal to 40% of Distributable Cash Flow in excess of a 15% per annum Return on Equity available after the return of actual Equity. The Annual Payment shall be paid on an annual basis after all appropriate calculations are made by the Developer for the preceding fiscal year of operation and shall be paid to the City upon completion of the annual audited statements of the Developer.

26.2 Payment on Capital Event. In the event of a Sale or Refinancing of the Project or any part thereof at any time prior to the expiration of the Initial Compliance Period, on the closing date of such Sale or Refinancing, as applicable, the Developer shall make a payment to the City in an amount equal to fifty percent (50%) of the Excess Profits. The Developer shall be required to notify the City of any event which would trigger the calculation of Excess Profits, not later than thirty (30) days before the anticipated closing date of such event. In the event of a Sale, the Developer shall prepare and submit to the City for the City's approval, at least fifteen (15) days before the scheduled date of the closing, a written statement which: (i) identifies the

portion of the Project that is being offered for sale; (ii) sets forth in reasonable detail an accounting of the allocable Equity Investment and Return on Equity for such portion; and (iii) calculates the estimated Excess Profits for such portion.

26.3 Extraordinary Tax Event. Notwithstanding the foregoing provisions, if at the end of the New Market Tax Credit compliance period, there is an Extraordinary Tax Event, *and* the Project has not generated enough cash flow to cover the Extraordinary Tax Event, then:

(a) The Developer may sell a portion of the Project to meet the obligation of the Extraordinary Tax Event and pay any associated Exit Fees. This Sale would be subject to Section 26.2.

(b) If the Developer's 50% share of the Excess Proceeds pursuant to Section 26.2, in combination with any return on investment earned by the Developer during the first seven years, is not sufficient to cover the Extraordinary Tax Event and the Exit Fees, the City will contribute the difference out of its share of the Excess Proceeds and take a note ("City Tax Event Note") from the Developer in such amount, to be paid in the event of a future Sale of the Project or any portion thereof.

26.4 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for Developer's fiscal year ended 2014 and each December 31 thereafter until the expiration of the Initial Compliance Period. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

26.5 Definitions. As used in this Section 26, the following terms shall have the following meanings:

(a) "Additional Capital Expenditure(s)" means any costs or expenses, excluding Project Expenditures, with respect to the Project that are properly categorized as capital in nature under Generally Accepted Accounting Principles, provided such costs or expenses are approved by the Commissioner.

(b) "Amortization" means those certain amortization amounts for the Project as set forth in the audited annual Financial Statements.

(c) "Debt Service" means annual interest and principal payments on Lender Financing.

(d) "Depreciation" means those certain depreciation amounts for the Project as set forth in the audited annual Financial Statements.

(e) "Distributable Cash Flow" means Net Operating Income *less* Project Expenditures, Additional Capital Expenditures, Lender required reserves and Debt Service, *plus* Amortization and Depreciation.

(f) "Equity Investment" means all Equity paid for or into the Project for (i) Project Expenditures, and (ii) Additional Capital Expenditures, exclusive of debt and reduced by any payments made to the Developer that constitute a return of such Equity.

(g) "Excess Profits" means gross cash proceeds, minus (a) any reasonable and customary closing costs and expenses of any Sale or Refinancing, (b) the payment of any principal and accrued interest on unpaid indebtedness of the Developer either (i) being refinanced (in the case of a Refinancing), or (ii) not assumed or taken subject to by the buyer of the Project (in the case of a Sale), (c) the Equity Investment; (d) a fifteen (15%) Return on Equity calculated annually (but not compounding), and (e) any tax liability incurred and paid as a result of an Extraordinary Tax Event from exiting the NMTC transaction. In the event of a partial sale of the Project, the portions allocated to the parcel(s) of the Project being sold will be included in the Excess Profits calculation.

(h) "Exit Fees" means [_____], but expressly excludes attorney and accounting fees.

(i) "Extraordinary Tax Event" means [_____] created by the unwinding of the NMTC position.

(j) "Income Taxes" means those certain income tax amounts for the Project as set forth in the audited annual Financial Statements.

(k) "Net Operating Income" means, with respect to any applicable period, Project Revenues minus Operating Expenses of the Project.

(l) "Operating Expenses" means those certain operating expenses set forth in the audited annual Financial Statements including Debt Service and any Lender required reserves, but excluding any reserves arising in connection with a Capital Event, Income Taxes, Depreciation and Amortization.

(m) "Project Expenditures" means actually incurred costs of initial construction, furnishing, equipping, and opening of the Project, as set forth in the Project Budget.

(n) "Project Revenues" means those certain revenues for the Project as set forth in the audited annual Financial Statements.

(o) "Refinancing" means the refinancing by the Developer of the Lender Financing.

(p) "Return on Equity" means Distributable Cash Flow divided by Equity Investment.

(q) "Sale" means (i) the sale, conveyance, transfer, exchange or other disposition of all or any part of the Project or the Property by the Developer to an unrelated buyer for cash, property or assumption of indebtedness. Any Sale shall be an arms-length transaction to a third party on the basis of full cash to Developer, without any seller carry-back financing or non-cash consideration, and shall be subject to any City approval that may be required.

SECTION 27. NOTICES.

Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) facsimile; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

If to the City:	City of Chicago Department of Planning & Development 121 North LaSalle Street, Room 1003 Chicago, Illinois 60602 Attn: Attn: 63rd /Englewood Mall TIF
With a copy to:	City of Chicago Department of Law 121 North LaSalle Street, Suite 600 Chicago, Illinois 60602 Attn: Real Estate and Land Use Division
If to the Developer:	Leon I. Walker, Esq. Englewood Square, LP c/o DL3 Realty, L.P. 1050 East 95th Street Chicago, IL 60619 (773) 844-3381 lwalker@dl3realty.com
With a copy to:	Rolando R. Acosta Acosta Ezgur, LLC 2949 W. Gregory St. Chicago, IL 60625 T: 312-636-6937 F: 312-253-4440 E-mail: rolando@acostaezgur.com

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile, respectively, provided that such facsimile transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 27 shall constitute delivery.

SECTION 28. BUSINESS RELATIONSHIPS.

The Developer acknowledges (a) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (b) that it has read such provision and understands that pursuant to such Section 2-156-030 (b) it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (c) notwithstanding anything to the contrary contained in this Agreement, that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that no violation of Section 2-145-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

SECTION 29. PATRIOT ACT CERTIFICATION.

The Developer represents and warrants that neither the Developer nor any Affiliate (as hereafter defined) thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable Laws: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

SECTION 30. PROHIBITION ON CERTAIN CONTRIBUTIONS PURSUANT TO MAYORAL EXECUTIVE ORDER NO. 2011-4.

30.1 The Developer agrees that the Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, the Developer's contractors (i.e., any person or entity in direct contractual privity with the Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (the Developer and all the other preceding classes of persons and entities are together the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago or to his political fundraising committee (a) after execution of this Agreement by the Developer, (b) while this Agreement or any Other Contract (as hereinafter defined) is executory, (c) during the term of this Agreement or any Other Contract, or (d) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated. This provision shall not apply to contributions made prior to May 16, 2011, the effective date of Executive Order 2011-4.

30.2 The Developer represents and warrants that from the later of (a) May 16, 2011, or (b) the date the City approached the Developer, or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

30.3 The Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

30.4 The Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

30.5 Notwithstanding anything to the contrary contained herein, the Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Section 30 or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including, without limitation, termination for default) under this Agreement, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

30.6 If the Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the Closing, the City may elect to decline to close the transaction contemplated by this Agreement.

30.7 For purposes of this provision:

(a) "Bundle" means to collect contributions from more than one source, which contributions are then delivered by one person to the Mayor or to his political fundraising committee.

(b) "Other Contract" means any other agreement with the City to which the Developer is a party that is (i) formed under the authority of Chapter 2-92 of the Municipal Code; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved or authorized by the City Council.

(c) "Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code, as amended.

(d) Individuals are "domestic partners" if they satisfy the following criteria:

(i) they are each other's sole domestic partner, responsible for each other's common welfare; and

(ii) neither party is married; and

(iii) the partners are not related by blood closer than would bar marriage in the State of Illinois; and

(iv) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and

(v) two of the following four conditions exist for the partners:

(1) The partners have been residing together for at least 12 months.

(2) The partners have common or joint ownership of a residence.

(3) The partners have at least two of the following arrangements:

(A) joint ownership of a motor vehicle;
(B) joint credit account;
(C) a joint checking account;
(D) a lease for a residence identifying both domestic partners as tenants.

(4) Each partner identifies the other partner as a primary beneficiary in a will.

(e) "Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code, as amended.

SECTION 31. INSPECTOR GENERAL AND LEGISLATIVE INSPECTOR GENERAL.

It is the duty of every officer, employee, department, agency, contractor, subcontractor, Developer and licensee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the City's Legislative Inspector General and with the City's Inspector General in any investigation or hearing undertaken pursuant to Chapters 2-55 and 2-56, respectively, of the Municipal Code. The Developer understands and will abide by all provisions of Chapters 2-55 and 2-56 of the Municipal Code.

SECTION 32. WASTE ORDINANCE PROVISIONS.

In accordance with Section 11-4-1600(e) of the Municipal Code, Developer warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Agreement is executory, Developer's, any violation of the Waste Sections by the General Contractor or any subcontractor, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Commissioner of DPD. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity. This section does not limit the duty of the Developer, the General Contractor and any subcontractors to comply with all applicable Laws, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Developer's eligibility for future contract awards.

SECTION 33. SHAKMAN.

33.1 The City is subject to the May 31, 2007 Order entitled "Agreed Settlement Order and Accord" (the "Shakman Accord") and the August 16, 2007 "City of Chicago Hiring Plan" (the "City Hiring Plan") entered in Shakman v. Democratic Organization of Cook County, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

33.2 Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with Developer, either as an employee or as a subcontractor, and from directing Developer to hire an individual as an employee or as a subcontractor. Accordingly, Developer must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Developer under this Agreement are employees or subcontractors of Developer, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Developer.

33.3 Developer will not condition, base, or knowingly prejudice or affect any term or aspect to the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

33.4 In the event of any communication to Developer by a City employee or City official in violation of Section 33.2 above, or advocating a violation of Section 33.3 above, Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("IGO Hiring Oversight"), and also to the head of the relevant City Department utilizing services provided under this Agreement. Developer will also cooperate with any inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to the contract.

SECTION 34. FAILURE TO MAINTAIN ELIGIBILITY TO DO BUSINESS WITH THE CITY.

Failure by Developer or any controlling person (as defined in Section 1-23-010 of the Municipal Code) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code shall be grounds for termination of the Agreement and the transactions contemplated thereby. Developer shall at all times comply with Section 2-154-020 of the Municipal Code.

SECTION 35. MISCELLANEOUS.

The following general provisions govern this Agreement:

35.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute a single, integrated instrument.

35.2 Cumulative Remedies. The remedies of any party hereunder are cumulative and the exercise of any one or more of such remedies shall not be construed as a waiver of any other remedy herein conferred upon such party or hereafter existing at law or in equity, unless specifically so provided herein.

35.3 Date for Performance. If the final date of any time period set forth herein falls on a Saturday, Sunday or legal holiday under the laws of Illinois or the United States of America, then such time period shall be automatically extended to the next business day.

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

35.5 Entire Agreement; Modification. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreements, negotiations and discussions. This Agreement may not be modified or amended in any manner without the prior written consent of the parties hereto. No term of this Agreement may be waived or discharged orally or by any course of dealing, but only by an instrument in writing signed by the party benefited by such term.

35.6 Exhibits. All exhibits referred to herein and attached hereto shall be deemed part of this Agreement.

35.7 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of a delay due to unforeseeable events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder, including, without limitation, fires, floods, strikes, shortages of material and unusually severe weather or delays of subcontractors due to such causes. The time for the performance of the obligations shall be extended only for the period of the delay and only if the party relying on this section requests an extension in writing within twenty (20) days after the beginning of any such delay.

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

35.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

35.10 Headings. The headings of the various sections and subsections of this Agreement have been inserted for convenience of reference only and shall not in any manner

be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

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

35.12 No Merger. The terms of this Agreement shall not be merged with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the terms of this Agreement.

35.13 No Waiver. No waiver by the City with respect to any specific default by the Developer shall be deemed to be a waiver of the rights of the City with respect to any other defaults of the Developer, nor shall any forbearance by the City to seek a remedy for any breach or default be deemed a waiver of its rights and remedies with respect to such breach or default, nor shall the City be deemed to have waived any of its rights and remedies unless such waiver is in writing.

35.14 Severability. If any term of this Agreement or any application thereof is held invalid or unenforceable, the remainder of this Agreement shall be construed as if such invalid part were never included herein and this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

35.15 Successors and Assigns. Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall apply to and bind the successors and assigns of the parties.

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

(Signature Page Follows)

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

CITY OF CHICAGO, an Illinois municipal corporation

By:_____
Andrew J. Mooney
Commissioner of Planning & Development

ENGLEWOOD SQUARE, LP., an Illinois limited partnership

By:_____
Leon I. Walker
Its _____

THIS INSTRUMENT PREPARED BY, AND
AFTER RECORDING, PLEASE RETURN TO:

Lisa Misher
Senior Counsel
City of Chicago
121 North LaSalle Street, Suite 600
Chicago, Illinois 60602
(312) 744-6933

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Andrew J. Mooney, the Commissioner of Planning and Development of the City of Chicago, an Illinois municipal corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that, as said Commissioner, he signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as his free and voluntary act and as the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my notarial seal this ____ day of _____, 2015.

_____
NOTARY PUBLIC

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Leon I. Walker, the President and Secretary of Englewood Square, LP, an Illinois limited partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by said limited partnership, as his free and voluntary act and as the free and voluntary act and deed of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my notarial seal this ____ day of _____, 2015.

_____
NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF PROJECT SITE

(SUBJECT TO FINAL TITLE AND SURVEY)

PARCEL 1D:

THAT PART OF VACATED ORIGINAL S. PEORIA STREET LYING EAST OF LOTS 5 THROUGH 17, ALL INCLUSIVE IN BLOCK 1 IN CROCKER'S RESUBDIVISION RECORDED AUGUST 5, 1856 AS DOCUMENT 74312 AND WEST OF AND ADJOINING THE WEST LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282, ALL IN THE SOUTHEAST 1/ 4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF W. 63RD STREET AND THE WEST LINE OF S. PEORIA STREET; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG AN ASSUMED BEARING AND THE WEST LINE OF SAID S. PEORIA STREET, 175.05 FEET TO A POINT ON A NORTHERLY LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282; THENCE CONTINUING NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG THE WESTERLY LINE OF SAID S. PEORIA STREET, 138.45 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 55 SECONDS EAST, 8.08 FEET TO AN EASTERLY LINE OF SAID S. PEORIA DRIVE; THENCE 01 DEGREES 32 MINUTES 37 SECONDS EAST, ALONG SAID EASTERLY LINE, 138.54 FEET TO THE CORNER THEREOF; THENCE SOUTH 89 DEGREES 08 MINUTES 20 SECONDS WEST, ALONG A NORTHERLY LINE OF SAID S. PEORIA DRIVE, 8.04 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2A:

LOTS 1 THROUGH 20, ALL INCLUSIVE, IN CATHLEEN E. SEEHANSEN'S SUBDIVISION OF THE SOUTH 4 1/6 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTIONS 17 TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THERE OF RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175, IN COOK COUNTY, ILLINOIS, EXCEPTING THEREFROM THAT PART OPENED FOR PUBLIC RIGHT OF WAY AS W. 63RD STREET BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____; AND,

PARCEL 2B:

ALL THAT PART OF THE VACATED 12 FOOT WIDE EAST-WEST PUBLIC ALLEY NORTH OF LOTS 1 THROUGH 10 AND THE 14 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY LYING BETWEEN LOTS 11 THROUGH 15 AND LOTS 16 THROUGH 20 ALL IN IN CATHLEEN E. SEEHANSEN'S SUBDIVISION OF THE SOUTH 4 1/6 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTIONS 17 TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, , ACCORDING TO THE PLAT THERE OF RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175, VACATED BY

ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 2C:

LOTS 34 THROUGH 39, INCLUSIVE, IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 39; THENCE SOUTH 88 DEGREES 29 MINUTES 13 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOT 39, A DISTANCE OF 124.07 FEET TO THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING ON THE EAST LINE OF A 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY; THENCE NORTH 01 DEGREES 32 MINUTES 16 SECONDS EAST, ALONG THE EAST LINE OF SAID 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY, 146.94 FEET; THENCE 88 DEGREES 29 MINUTES 42 SECONDS EAST, 124.09 FEET TO A POINT ON THE EAST LINE OF SAID LOT 34, ALSO BEING THE WEST LINE OF S. GREEN STREET; THENCE SOUTH 01 DEGREES 31 MINUTES 47 SECONDS WEST, 146.92 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 2D:

ALL THAT PART OF THE VACATED 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY BETWEEN LOTS 27 THROUGH 39, AND LOTS 40 THROUGH 52, ALL INCLUSIVE IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 39; THENCE SOUTH 88 DEGREES 29 MINUTES 13 SECONDS WEST, 16.00 FEET TO THE SOUTHEAST CORNER OF LOT 40 IN SAID EHRLER & HESSERT'S SUBDIVISION, SAID CORNER ALSO BEING ON THE WEST LINE OF SAID 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY; THENCE NORTH 01 DEGREES 32 MINUTES 16 SECONDS WEST, ALONG SAID WEST LINE, 146.94 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 16.00 FEET TO A POINT ON THE WEST LINE OF LOT 34 IN SAID EHRLER & HESSERT'S SUBDIVISION, SAID POINT ALSO BEING ON THE EAST LINE OF SAID 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY; THENCE SOUTH 01 DEGREES 32 MINUTES 16 SECONDS EAST, ALONG SAID EAST LINE, 146.94 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 2E:

THAT PART OF VACATED ORIGINAL S. PEORIA STREET LYING WEST OF AND ADJOINING THE WEST LINES OF LOTS 40 THROUGH 48, ALL INCLUSIVE, IN EHRLER & HESSERT'S SUBDIVISION RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528 AND WEST OF AND ADJOINING THE WEST LINES OF LOTS 11 THROUGH 15, ALL INCLUSIVE

IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175 AND LYING EAST OF AND ADJOINING THE EAST LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282, ALL IN THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF W. 63RD STREET AND THE WEST LINE OF S. PEORIA STREET; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG AN ASSUMED BEARING AND THE WEST LINE OF SAID S. PEORIA STREET, 14.00 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 55 SECONDS EAST, 66.00 FEET TO A PONT ON THE EAST LINE OF THE ORIGINAL S. PEORIA STREET, SAID POINT ALSO ON THE WEST LINE OF LOT 1 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 24, 1874 AS DOCUMENT 192175; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG THE LAST DESCRIBED LINE, 94.90 FEET TO THE SOUTH LINE OF SAID 12 FOOT EAST-WEST PUBLIC ALLEY, POINT ALSO BEING THE NORTHWEST CORNER OF SAID LOT 1; THENCE CONTINUING NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, 12.00 FEET TO THE NORTH LINE OF SAID 12 FOOT WIDE EAST-WEST PUBLIC ALLEY AND THE SOUTHWEST CORNER OF LOT 11 IN SAID EHRLER & HESSERT'S SUBDIVISION; THENCE CONTINUING SOUTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF SAID LOT 11, A DISTANCE OF 12.10 FEET TO A POINT ON A NORTHERLY LINE OF S. PEORIA DRIVE, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE WESTERLY AND NORTHERLY ALONG THE NORTHERLY AND EASTERLY LINES OF SAID S. PEORIA DRIVE FOR THE NEXT THREE COURSES; (1) THENCE SOUTH 88 DEGREES 26 MINUTES 34 SECONDS WEST, 3.88 FEET; (2) THENCE NORTH 04 DEGREES 20 MINUTES 16 SECONDS WEST, 83.94 FEET; (3) THENCE NORTH 01 DEGREES 32 MINUTES 37 SECONDS WEST, 170.94 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 7.91 FEET TO A POINT ON AN EAST LINE OF ORIGINAL S. PEORIA STREET; THENCE SOUTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG SAID EAST LINE, 254.77 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; AND

PARCEL 2F:

LOTS 40 THROUGH 45, ALL INCLUSIVE, IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 40; THENCE SOUTH 88 DEGREES 29 MINUTES 13 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOT 40, A DISTANCE OF 121.89 FEET TO THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING ON THE EAST LINE OF ORIGINAL S. PEORIA STREET; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, ALONG THE EAST LINE OF SAID ORIGINAL S. PEORIA STREET, 146.96 FEET; THENCE 88 DEGREES 29 MINUTES 42 SECONDS EAST, 121.94 FEET TO A POINT ON THE EAST LINE OF SAID LOT 45, ALSO BEING THE WEST LINE OF A 16 FOOT WIDE NORTH-SOUTH PUBLIC ALLEY; THENCE SOUTH 01 DEGREES 32 MINUTES 16 SECONDS WEST, 146.94 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 3:

ALL OF VACATED 66 FOOT WIDE S. GREEN STREET LYING SOUTH OF THE SOUTH LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282 AND NORTH OF AND ADJOINING A LINE 14 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF W. 63RD STREET, ALL IN THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, IN COOK COUNTY, ILLINOIS MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF W. 63RD STREET AND THE WEST LINE OF S. GREEN STREET; THENCE NORTH 01 DEGREES 31 MINUTES 47 SECONDS WEST, ALONG AN ASSUMED BEARING AND THE WEST LINE OF SAID S. GREEN STREET, 14.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 01 DEGREES 31 MINUTES 47 SECONDS WEST, ALONG THE WEST LINE OF SAID S. GREEN STREET, 373.71 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 66.00 FEET TO A POINT ON THE EAST LINE OF SAID S. GREEN STREET; THENCE SOUTH 01 DEGREES 31 MINUTES 47 SECONDS EAST, 373.69 FEET TO A POINT ON THE NORTH LINE OF W. 63RD STREET; THENCE SOUTH 88 DEGREES 28 MINUTES 55 SECONDS WEST, 66.00 FEET OT THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 4D:

LOTS 9 THROUGH 13, ALL INCLUSIVE, EXCEPT THE WEST 2 FEET OF THE NORTH 4 FEET OF SAID LOT 9, ALL IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 4E:

LOTS 1 THROUGH 6, ALL INCLUSIVE AND LOT 7 (EXCEPT THE SOUTH 50 FEET THEREOF) IN COUNTY CLERK'S DIVISION OF BLOCK 2 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION OF THE SOUTH 4 1/6 ACRES OF SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17 TOWNSHIP 38 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175, IN COOK COUNTY, ILLINOIS AND FURTHER EXCEPTING THEREFROM THAT PART OPENED FOR PUBLIC RIGHT OF WAY AS W. 63RD STREET BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____; AND,

PARCEL 4F:

LOT "A", IN THE CONSOLIDATION PLAT OF SUBDIVISION OF THE SOUTH 50 FEET OF LOT 7 TOGETHER WITH A 12 FOOT STRIP OF LAND DESIGNATED AS A 16 FOOT WIDE EAST-WEST PUBLIC ALLEY RESERVED BY DEED AND LYING SOUTH OF AND

ADJOINING SAID LOT 7 (EXCEPT THE NORTH 16 FEET OF THE SOUTH 50 FEET OF SOUTH LOT 7 DEDICATED AS PUBLIC ALLEY) IN COUNTY CLERK'S DIVISION RECORDED SEPTEMBER 12, 1888 AS DOCUMENT 1003460 OF BLOCK 2 IN THE SUBDIVISION OF THE SOUTH 4 1/6 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE CONSOLIDATION PLAT RECORDED MAY 23, 1947 AS DOCUMENT 14063746, IN COOK COUNTY. ILLINOIS; AND,

PARCEL 4G:

ALL THAT PART OF THE VACATED NORTH-SOUTH 16 FOOT WIDE PUBLIC ALLEY LYING BETWEEN THE LOTS 9 THROUGH 13, AND LOTS 14 THROUGH 18, ALL INCLUSIVE IN EHRLER AND HESSERT'S SUBDIVISION AFORESAID IN THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 4H:

ALL THAT PART OF THE VACATED NORTH-SOUTH 14 FOOT WIDE PUBLIC ALLEY LYING WEST OF LOTS 1 THROUGH 3, ALL INCLUSIVE AND EAST OF LOTS 5 AND 7 IN COUNTY CLERK'S DIVISION RECORDED SEPTEMBER 12, 1888 AS DOCUMENT 1003460 OF BLOCK 2 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175 AND EAST OF LOT A IN CONSOLIDATION PLAT RECORDED MAY 23, 1947 AS DOCUMENT 14063746 IN THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, IN COOK COUNTY, ILLINOIS; AND,

PARCEL 4I:

ALL THAT PART OF THE VACATED NORTH 16 FEET OF THE SOUTH 50 FEET OF SOUTH LOT 7 IN COUNTY CLERK'S DIVISION RECORDED SEPTEMBER 12, 1888 AS DOCUMENT 1003460 OF BLOCK 2 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 27, 1874 AS DOCUMENT 192175 DEDICATED AS AN EAST-WEST 16 FOOT WIDE PUBLIC ALLEY IN CONSOLIDATION PLAT RECORDED MAY 23, 1947 AS DOCUMENT 14063746 IN THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, ILLINOIS; AND,

PARCEL 4J:

THAT PART OF LOTS 14 THROUGH 19, ALL INCLUSIVE IN EHRLER & HESSERT'S SUBDIVISION OF THE NORTH 5-1/3 ACRES OF THE SOUTH 9-1/2 ACRES OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST

SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 25, 1874 AS DOCUMENT 152528, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 14; THENCE NORTH 01 DEGREES 31 MINUTES 47 SECONDS WEST, ALONG THE WEST LINE OF SAID LOTS, 146.90 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 112.92 FEET TO A POINT ON A LINE 9.00 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID LOTS 18 AND 19; THENCE SOUTH 01 DEGREES 33 MINUTES 14 SECONDS EAST, 25.87 FEET TO THE WESTERLY EXTENSION OF THE NORTH LINE OF A VACATED NORTH-SOUTH 16 FOOT WIDE PUBLIC ALLEY LYING WEST OF LOTS 9 THROUGH 13 IN SAID EHRLER & HESSERT'S SUBDIVISION; THENCE NORTH 88 DEGREES 28 MINUTES 08 SECONDS EAST, 9.00 FEET TO A POINT ON THE EAST LINE OF LOTS 14 THROUGH 19 IN SAID EHRLER & HESSERT'S SUBDIVISION, ALSO BEING THE WEST LINE OF A NORTH-SOUTH 16-FOOT WIDE PUBLIC ALLEY; THENCE SOUTH 01 DEGREES 31 MINUTES 47 SECONDS EAST, ALONG SAID LAST DESCRIBED LINE, 120.98 FEET TO THE SOUTHWEST CORNER OF SAID LOT 14; THENCE SOUTH 88 DEGREES 28 MINUTES 05 SECONDS WEST, ALONG THE SOUTH LINE OF SAID LOT 14, A DISTANCE OF 121.98 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF VACATED S. PEORIA DRIVE ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282, IN THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND VACATED BY ORDINANCE RECORDED _____ AS DOCUMENT NUMBER _____, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF W. 63RD STREET AND THE WEST LINE OF S. PEORIA STREET; THENCE NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG AN ASSUMED BEARING AND THE WEST LINE OF SAID S. PEORIA STREET, 14.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 01 DEGREES 33 MINUTES 26 SECONDS WEST, ALONG SAID WEST LINE, 161.05 FEET TO A POINT ON A NORTHERLY LINE OF S. PEORIA DRIVE AS ESTABLISHED BY ORDINANCE RECORDED MAY 14, 1969 AS DOCUMENT 20841282; THENCE NORTHERLY ALONG THE WESTERLY LINES OF SAID S. PEORIA DRIVE FOR THE NEXT TWO COURSES; (1) THENCE NORTH 89 DEGREES 08 MINUTES 20 SECONDS EAST, 8.04 FEET; (2) THENCE NORTH 01 DEGREES 32 MINUTES 37 SECONDS WEST, 212.82 FEET; THENCE NORTH 88 DEGREES 29 MINUTES 42 SECONDS EAST, 50.00 FEET TO A POINT ON AN EASTERLY LINE OF SAID S. PEORIA DRIVE; THENCE SOUTHERLY AND EASTERLY ALONG THE EASTERLY AND NORTHERLY LINES OF SAID S. PEORIA DRIVE FOR THE NEXT SIX COURSES; (1) THENCE SOUTH 01 DEGREES 32 MINUTES 37 SECONDS EAST, 170.94 FEET; (2) THENCE SOUTH 04 DEGREES 20 MINUTES 16 SECONDS EAST, 83.94 FEET; (3) THENCE NORTH 88 DEGREES 26 MINUTES 34 SECONDS EAST, 3.88 FEET TO A POINT ON THE WEST LINE OF LOT 11 IN SAID EHRLER & HESSERT'S SUBDIVISION; (4) THENCE SOUTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, ALONG SAID WEST LINE, 12.10 FEET TO THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING ON THE NORTH LINE OF A 12 FOOT WIDE EAST-WEST PUBLIC ALLEY; (5) THENCE SOUTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, 12.00 FEET TO THE SOUTH LINE OF SAID 12 FOOT EAST-WEST PUBLIC ALLEY, POINT ALSO BEING THE NORTHWEST CORNER OF LOT 1 IN CATHLEEN E. SEEHANSEN'S SUBDIVISION RECORDED SEPTEMBER 24, 1874 AS

DOCUMENT 192175; (6) THENCE SOUTH 01 DEGREES 33 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 94.90 FEET TO A POINT 14.00 FEET NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH 88 DEGREES 28 MINUTES 55 SECONDS WEST, 66.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PINS:

20-17-431-006 (PART OF)	20-17-430-007 (PART OF)
20-17-431-007 (PART OF)	20-17-430-008
20-17-431-008	20-17-430-009
20-17-431-009	20-17-430-010
20-17-431-010	20-17-430-011
20-17-431-011	20-17-430-012
20-17-431-015	20-17-430-013
20-17-431-016	20-17-430-014
20-17-431-017	20-17-430-022 (PART OF)
20-17-431-023 (PART OF)	20-17-430-023
20-17-431-024	20-17-430-024
20-17-431-025	20-17-430-025
20-17-431-026	20-17-430-026
20-17-431-027	20-17-430-027
20-17-431-028	20-17-430-028
20-17-431-030	20-17-430-029
20-17-431-031	20-17-430-030
20-17-431-032	20-17-430-031
20-17-431-033	20-17-430-032
	20-17-430-033
	20-17-430-034
	20-17-430-035

EXHIBIT B

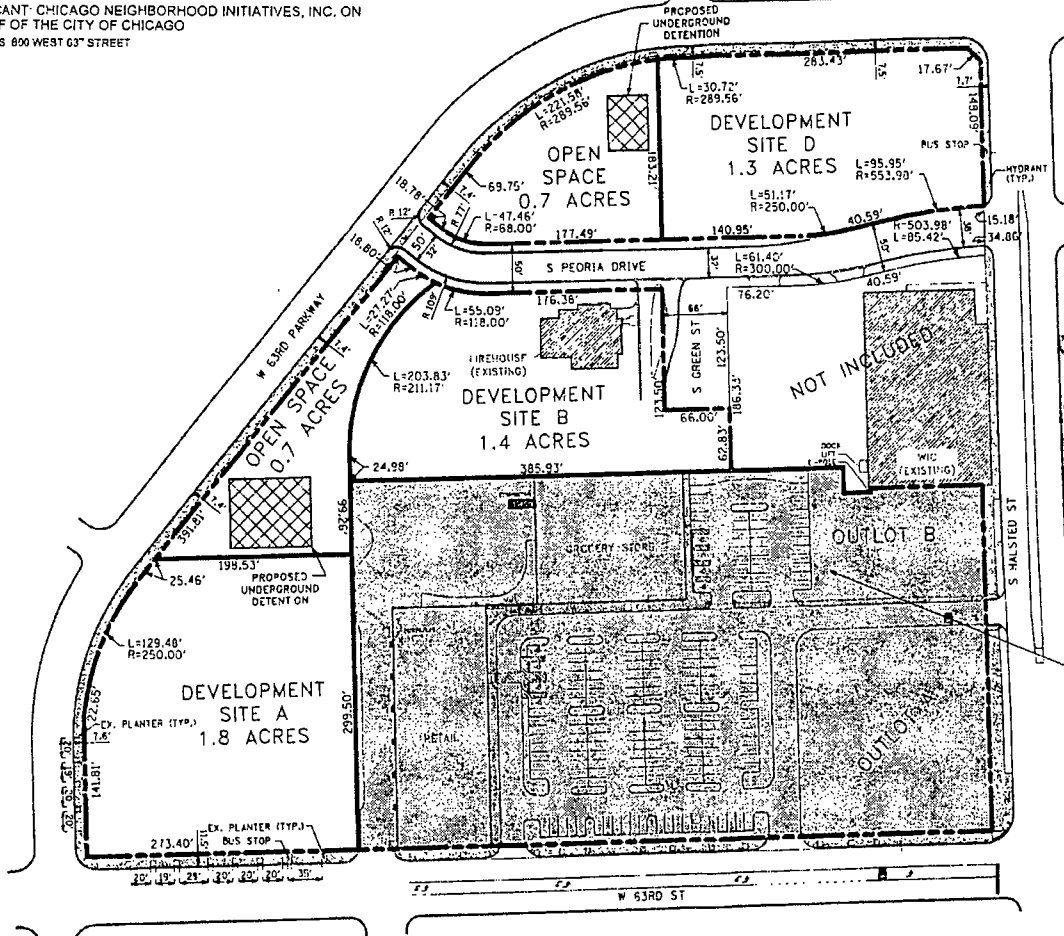
DEPICTION OF PROJECT SITE

(ATTACHED)

OVERALL SITE PLAN (SHEET 1 OF 3)

APPLICANT: CHICAGO NEIGHBORHOOD INITIATIVES, INC. ON BEHALF OF THE CITY OF CHICAGO

ADDRESS 800 WEST 63rd STREET



RETAIL SITE PREVIOUSLY APPROVED (SEE SHEETS 2 AND 3)

CITY OF CHICAGO
Department of Transportation
Plan Review Committee
APPROVED 2-10-14
Date on Plans 2-11-14
Project Title CNI / Halsted Foods
*Subject to acceptable construction drawings and required CDOT permits

DATE: 01/27/2014
JOB NO: 7390
FILENAME: 7390EXB-1B CDOT

CONSULTING ENGINEERS
SITE DEVELOPMENT ENGINEERS
LAND SURVEYORS

9575 W Higgins Road, Suite 700
Rosemont, Illinois 60018
Phone: (847) 696-4060 Fax: (847) 696-4065

SPACECO INC.

N

SCALE: 1" = 100'

REVISIONS:
01/30/2014
02/11/2014

EXHIBIT C

CNI SIDE LETTER

(ATTACHED)

CHICAGO NEIGHBORHOOD INITIATIVES

August 29, 2014

Englewood Square, LP
1050 E 95th Street
Chicago, IL 60628

Attention: Leon Walker

Re: Site Development of Englewood Square Retail Parcel

Dear Mr. Walker:

Chicago Neighborhood Initiatives, Inc. ("**CNI**"), has entered into that certain Site Preparation and Maintenance Agreement (the "**Site Prep Agreement**") with the City of Chicago (the "**City**") in connection with the site development of certain property generally bounded by South Halsted Street, West 63rd Street and West 63rd Parkway (the "**Property**"), which includes an approximately 5.4-acre tract of land (consisting of Lots 6, 7 and 8 on that certain Halsted Parkway Subdivision to be recorded) (the "**Retail Parcel**"). The Property, including the Retail Parcel, is owned by the City. CNI has been advised that Englewood Square, LP ("**City Transferee**") is negotiating to acquire the Retail Parcel from the City and develop thereon a multi-tenant retail development, including an approximately 18,000 square foot grocery store. Pursuant to the Site Prep Agreement, CNI intends to cause to be performed site development work affecting the Retail Parcel, in accordance with the Plans and Specifications listed on Exhibit A attached to this letter (the "**Plans and Specifications**"), and the scope of work described on Exhibit B to this letter, and CNI understands that the completion of said development work affecting the Retail Parcel is as a condition to City Transferee's acquisition of the Retail Parcel.

Inspection of the Work

(a) Access. In connection with City Transferee's negotiations with the City and CNI's execution of the Site Prep Agreement, the City has requested that CNI provide City Transferee with access to the Retail Parcel for the purpose of observing and inspecting said site development work as it progresses and upon completion. To facilitate the City's transfer of ownership of the Retail Parcel to City Transferee, and in connection with the City Transferee's inspection and review of the Retail Parcel for development purposes, CNI agrees to permit City Transferee, including its employees, agents, representatives and consultants (collectively, the "**City Transferee Parties**") to have access, from time to time during construction and upon completion, to the Retail Parcel and, to the extent necessary, adjacent areas of the Property on weekdays during normal working hours to observe the performance of, and to inspect, said site development work in progress and upon completion provided (i) such access does not unreasonably interfere with CNI's performance of the work under the Site Prep Agreement, (ii) the City Transferee Parties shall provide reasonable notice to CNI prior to such site access, (iii) the City Transferee Parties shall be accompanied by a representative of CNI at all times during

1000 East 111th Street, 10th Floor • Chicago, IL 60628 • 773-341-2060

such access (unless this requirement is waived in writing by CNI), and (iv) City Transferee shall have no right to instruct any of CNI's contractors, subcontractors or workmen.

(b) Insurance. City Transferee acknowledges and agrees that (i) at all times during such access City Transferee shall keep in effect, or cause the City Transferee Parties, as applicable, to keep in effect, policies of general liability insurance which insure the applicable City Transferee Parties with liability insurance limits of not less than $2,000,000 combined single limit for personal injury and property damage and name CNI and the City as additional insureds and which are with such insurance companies as are reasonably acceptable to CNI and the City, and (ii) at CNI's or the City's request, City Transferee shall provide, or cause the applicable City Transferee Parties to provide, CNI and the City with certificates of insurance evidencing that the applicable City Transferee Parties have obtained the aforementioned policies of insurance.

(c) Site Conditions. Subject to CNI's obligations under the Site Prep Agreement, CNI makes no additional representations or warranties regarding the condition of the Retail Parcel or the Property or the performance of the work.

Documents and Reports

CNI agrees to provide to City Transferee copies of the following documents and reports, to the extent they pertain to the Retail Parcel, promptly upon receipt by CNI: (i) shop drawings, catalogue cuts and material submittals for work on the Retail Parcel, approved by CNI's general contractor and reviewed and approved by CNI's consultant engineer, at least twenty (20) business days prior to the beginning of any work specified by said shop drawings, (ii) construction meeting minutes, (iii) field reports and field directives from CNI's construction manager, consultants, or consultant engineer, (iv) testing and geotechnical reports, (v) subject to the prior approval of the Authorized City Representative under the Site Prep Agreement (the "**Authorized City Representative**"), any correspondence or reports received from the Authorized City Representative, and (vi) notice of any proposed changes to the approved plans or procedures (with a copy to the Authorized City Representative). City Transferee shall have a period of five (5) business days after each visit to the Property and after each receipt of any document, field directive, or report to advise CNI of any comments, concerns, defects, problems or objections identified by City Transferee's field inspection or review of the aforementioned documents and reports. All such documents and reports delivered to City Transferee are for the benefit of CNI or the City, and City Transferee shall not be deemed a third party beneficiary of such reports.

In addition to said documents and reports, CNI agrees to provide City Transferee with copies of the documents referenced in Exhibit B attached hereto upon completion of said site development work affecting the Retail Parcel.

General Contractor

Please be advised that CNI intends to engage Ujamaa Construction as CNI's general contractor for the work described in the Site Prep Agreement and the Plans and Specifications.

Sincerely,

Chicago Neighborhood Initiatives, Inc., an Illinois not-for-profit corporation

By_____
Its President

ACKNOWLEDGEMENT, ACCEPTANCE AND AGREEMENT:

By signing this acknowledgement, acceptance and agreement, Englewood Square, LP, as City Transferee hereunder, hereby:

1. Acknowledges: (a) receipt and approval of the Plans and Specifications, and that the same have been approved in writing by Whole Foods Market (a copy of which written approval is attached hereto as Exhibit C); and (b) other than the car charging conduits referenced in Exhibit C, all changes requested by Whole Foods Market on September 5, 2014 pursuant to an email from Michael Sweatt of Whole Foods Market are at City Transferee's sole expense and not a part of the Work under the Site Prep Agreement;

2. acknowledges that the Property will be an active construction site during all visits by the City Transferee Parties, that hazardous conditions may exist, and that all such access shall be at each such City Transferee Party's own risk;

3. acknowledges that City Transferee's failure to advise CNI of any comments, concerns, defects, problems or objections related to development work affecting the Retail Parcel within five (5) business days after City Transferee's (or any City Transferee's Parties') field inspection or receipt of a document or report shall be deemed to constitute City Transferee's approval of such development work or document or report, as applicable, and waiver of City Transferee's right to raise comments, concerns, defects, problems or objections arising out of the conditions identified in such document or report;

4. acknowledges that Ujamaa Construction will be engaged as CNI's general contractor;

5. acknowledges and agrees that, upon satisfactory completion of the site development work described in the Plans and Specifications and in the attached Exhibit B, as evidenced by CNI's delivery of the documents described in the attached Exhibit B, City Transferee will notify the City in writing that City Transferee approves of said site development work;

6. acknowledges and agrees that (i) the landscape materials shown on sheets L01 – L02 (17-18) of the Plans and Specifications will be purchased, and installation costs paid for in advance, by CNI but not installed and that the contract for the purchase and installation of the landscape materials will be assigned to the City Transferee; and (ii) (ii) landscape deposits applicable to and typical of installation of landscaping on private land will apply, and City Transferee shall be solely responsible for any such deposits required by the City related to such installation.

ENGLEWOOD SQUARE, LP, an
Illinois limited partnership

By _____
Its MANAGER, FRESH PEGASUS MANAGEMENT, LLC
GENERAL PARTNER
Englewood Square, L.P.

EXHIBIT A
PLANS AND SPECIFICATIONS

1. Site Preparation Plans for Halsted Parkways prepared by SPACECO, Inc. dated March 18, 2014 last revised August 19, 2014 consisting of 21 sheets.

2. Site Improvement Plan for Englewood Square at Halsted Parkway prepared by SPACECO, Inc. dated May 8, 2014 last revised August 19, 2014 consisting of 19 sheets.

3. Final Stormwater Management Report for Halsted Parkways prepared by SPACECO, Inc. dated April 2014 last revised June 2014

4. Englewood Square NW Corner of 63rd and Halsted, Chicago, IL prepared by Ethos Workshop Architects and Planners last revised 6/10/14 consisting of only the following sheets: S-0.0, S1.0, S1.1 and S2.0.

5. Geotechnical Investigation Report - Proposed Commercial Development. NW Corner of W. 63rd St and S. Halsted, Chicago, IL prepared by Pioneer Environmental Services. April 9, 2014. Project Number 12-0646-151.

6. Comprehensive Site Investigation Report/Remediation Objectives Report/Remedial Action Plan. Chicago/Halsted Parkways. NW Corner of West 63rd and South Halsted St., Chicago, IL. prepared by Pioneer Environmental Services. April 22, 2014. Project Number 12-0646-102.

EXHIBIT B
RETAIL PARCEL SCOPE OF WORK

(1) Rezoning of the Retail Parcel from the C1-2 Neighborhood Commercial District to Business Planned Development, authorizing the development of a commercial and retail shopping center, as documented by that certain ordinance approved by the City Council on December 11, 2013, and published in the City Council Journal of Proceedings beginning on page 72109.

(2) The vacation and opening of certain streets and rights of way within the Property, as depicted on the Approved Plans and Specifications, including the following:

(a) approval of one or more ordinances by the Chicago City Council authorizing such vacation and opening;

(b) negotiating in coordination with the City for the removal of such exceptions to title, as necessary to allow such plats of vacation and opening to be recorded;

(c) recordation of such ordinance or ordinances together with such plat or plats of vacation and opening; and

(d) delivery to the Chicago Department of Transportation of two copies of such recorded ordinance or ordinances and corresponding plat or plats.

(3) Issuance of a draft No Further Remediation Letter by the Illinois Environmental Protection Agency for the Property. It is expressly understood that the No Further Remediation Letter will include the following restriction on the use and development of the Property as an "Institutional Control":

> "Any existing buildings or any future buildings constructed on the site must contain a full concrete slab-on-grade floor or full concrete basement floor and walls with no sumps."

(4) Issuance of as-built topographic survey of Retail Parcel by the Consultant Engineer.

(5) Issuance of all testing reports prepared by CNI's testing consultant.

(6) Issuance of a letter from CNI's Geotechnical Engineer and Consultant Engineer confirming that the completed building pad preparation for compaction, stabilization and moisture content is in conformance with the Geotechnical Investigation Report - Proposed Commercial Development, NW Corner of W. 63rd St and S. Halsted, Chicago, IL prepared by Pioneer Environmental Services, dated April 9, 2014, Project Number 12-0646-151; soil conditions beneath the Building shell are satisfactory to properly support the proposed improvements to the slab and foundation design.

(7) Written confirmation in the form of a stamped letter from the Architect that the

foundations and building slabs for the retail buildings have been constructed in accordance with plans entitled Englewood Square NW Corner of 63rd and Halsted, Chicago, IL prepared by Ethos Workshop Architects and Planners last revised 6/10/14, as may be modified from time to time with the approval of the City Transferee and the Authorized City Representative. It is expressly understood that CNI's work is contained only on the following sheets: S-0.0, S1.0, S1.1 and S2.0 and does not include the Whole Foods 5 inch building slab or any utilities located underneath the slab.

(8) Written confirmation in the form of a stamped letter from the Consultant Engineer confirming that the work within the Retail Parcel is complete and has been performed in accordance with the Site Improvement Plan for Englewood Square at Halsted Parkway prepared by SPACECO, Inc. dated May 8, 2014 last revised August 19, 2014 consisting of 19 sheets, as may be modified from time to time with the approval of the City Transferee and the Authorized City Representative.

EXHIBIT C
WHOLE FOODS MARKET APPROVAL OF PLANS AND SPECIFICATIONS

(see attached)

Angelica Marks

From:	Brian Galey <bgaley@galeyconsulting.com>
Sent:	Monday, September 08, 2014 10:28 AM
To:	Angelica Marks; Michael Mondus; lwalker@dl3realty.com
Cc:	David Doig; Reifman, David L; DiGrino, Mariah F. (Mariah.DiGrino@dlapiper.com); Rolando Acosta (rolando@acostaezgur.com)
Subject:	RE: Whole Foods Market- Englewood

All,

DL3 and CNI have received and reviewed Whole Foods comments and their redline mark ups of the plans. The limited scope for the site improvements, foundations, and utilities to be performed by CNI have been approved by Whole Foods, and includes the following documents and clarificatons:

1) The "clarification, corrections and additions" made to the documents attached and mentioned below are not part of CNI's work, with the exception of the location of the conduits for the car charging stations. All other changes will be undertaken by Englewood Square LP after turnover of the site;

2) The "8.27.14 Approval Drawings" indicated below that were uploaded and sent to Whole Foods are as follows:

    1. Site Preparation Plans for Halsted Parkways prepared by SPACECO, Inc. dated March 18, 2014 revised June 24, 2014 consisting of 22 sheets.

    2. Site Improvement Plan for Englewood Square at Halsted Parkway prepared by SPACECO, Inc. dated May 8, 2014 last revised August 19, 2014 consisting of 23 sheets.

    3. Englewood Square NW Corner of 63rd and Halsted, Chicago, IL prepared by Ethos Workshop Architects and Planners last revised August 26, 2014.

Thank you.

Brian J. Galey, AIA
Galey Consulting, LLC
312-282-1289

From: Michael Sweatt (MW MWC) [mailto:Michael.Sweatt@wholefoods.com]
Sent: Friday, September 05, 2014 2:07 PM
To: David Doig; Brian Galey
Cc: Leon Walker; Chris Hill; Alison Gillis Esq.; Michael Mondus; Scott Allman AIA; Angelica Marks; Terry Noyes; Scott Saulsberry (MW MWC)
Subject: RE: Whole Foods Market- Englewood

Please find attached the affected and redlined drawings that need clarification, corrections and additions made to them in order to be compliant with the Lease and Exhibit E attached to our Lease dated effective August 30, 2013.

The Lease made by and between ENGLEWOOD SQUARE, LP, an Illinois limited partnership ("Landlord"), and WHOLE FOODS MARKET GROUP, INC., a Delaware corporation ("Tenant").

Also attached is a package of dock equipment and supplies necessary to support the delivery and receiving system elected to be used for this store based upon not having a fully recessed receiving dock.
I am missing the spec sheet for an exterior, surface applied trailer restraint as our standard detail of a hidden hook will not work. That spec will be forwarded separately.

Based upon this review and the compliance to the plan modifications submitted herein, Whole Foods Market approves the plans submitted via Drop Box by Brian Galey on Aug. 27, 2014. Copy of Email attached.

Michael Sweatt / Executive Construction Coordinator
Whole Foods Market - Midwest Region
640 N. LaSalle Street
Suite 300
Chicago, IL 60654
312-799-5688 office
512-499-3842 E-fax
312-863-9031 cell
Michael.Sweatt@Wholefoods.com

From: David Doig [mailto:ddoig@cnigroup.org]
Sent: Friday, September 05, 2014 6:42 AM
To: Brian Galey; Michael Sweatt (MW MWC); Scott Saulsberry (MW MWC)
Cc: Leon Walker; Chris Hill; Alison Gillis Esq.; Michael Mondus; Scott Allman AIA; Angelica Marks
Subject: RE: Whole Foods Market- Englewood

Mike and Scott,

Per our conversation on Wednesday, when do you think we will see your final redlines and receive Whole Foods sign off on site and foundation plans? We really need it this morning. Our plan is to begin site work on Monday (9/8) but we need you sign off to start.

Please advise ASAP.

Thanks
Dave

From: Brian Galey [mailto:bgaley@galeyconsulting.com]
Sent: Wednesday, August 27, 2014 4:07 PM
To: Michael Sweatt (MW MWC); Scott Saulsberry (MW MWC)
Cc: Leon Walker; Chris Hill; David Doig; Alison Gillis Esq.; Michael Mondus; Scott Allman AIA
Subject: Whole Foods Market- Englewood

Hi Mike & Scott,
The drawings for the City's portion of the work have been updated, based on Mike's redline from July. The City needs Whole Foods Market's approval of this portion of the work to release CNI to begin the construction phase of the project. The environmental work has been completed.

I have uploaded these drawings to this dropbox folder. The new drawings are in the folder labeled "8.27.14 Approval Drawings". The older documents are available for review, if required in the other folders.

The City's scope of work, as you know, includes the site development work and the foundations for your building. Once we get WFM's approval for this phase of the project, CNI may start the new construction phase of the work. We will also begin further development of the building design drawings after approval of the initial phase of the project.

Please look these over and confirm that the drawings and limited scope of work for the site development phase is acceptable so that DL3 may sign off on the current drawings and the City can release CNI. Also note that Ethos has added a note on the drawings that the bottom of all interior footings will be below frost depth (42" below subgrade), in the event that the foundations are exposed to weather during a winter cycle.

Please let us know if you have any questions or comments.

Thank you.

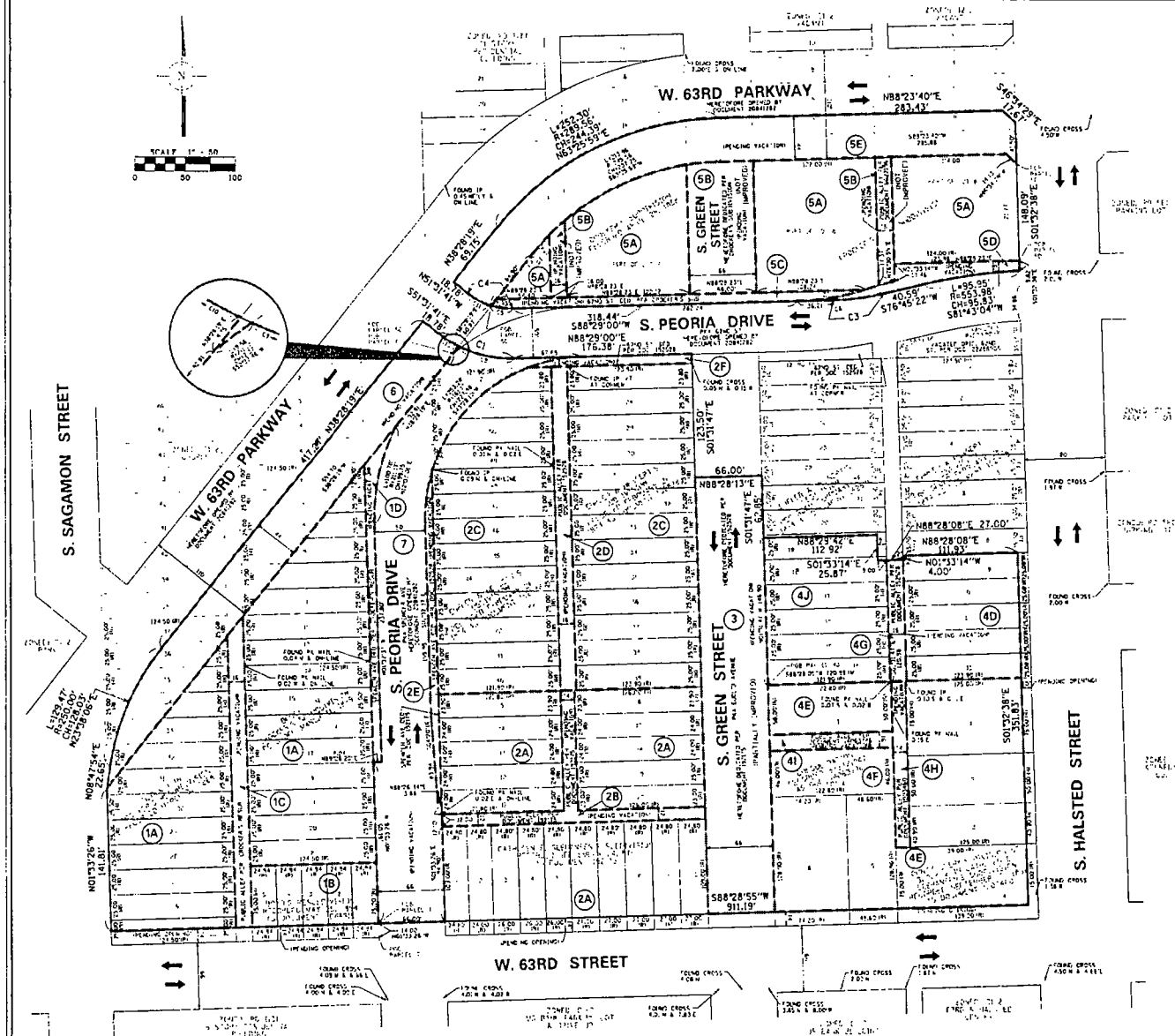
Brian J. Galey, AIA
Galey Consulting, LLC
312-282-1289

EXHIBIT D

DEPICTION OF 63RD/HALSTED SITE

(ATTACHED)

EXHIBIT "A"



PLAT OF SUBDIVISION

HALSTED PARKWAY SUBDIVISION

BEING A SUBDIVISION OF PART OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

TAX P. I. N.s:

20-17-422-035-0000	20-17-422-037-0000	20-17-422-038-0000
20-17-422-043-0000	20-17-423-016-0000	20-17-423-017-0000
20-17-423-018-0000	20-17-423-034-0000	20-17-423-035-0000
20-17-423-036-0000	20-17-423-037-0000	20-17-423-038-0000
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20-17-431-015-0000	20-17-431-016-0000	20-17-431-017-0000
20-17-431-018-0000	20-17-431-019-0000	20-17-431-020-0000
20-17-431-021-0000	20-17-431-022-0000	20-17-431-023-0000
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20-17-431-030-0000	20-17-431-031-0000	20-17-431-032-0000
20-17-431-033-0000		

SURVEYOR'S NOTES:

1. ALL DIMENSIONS SHOWN HEREON ARE MEASURED UNLESS NOTED
2. BASIS OF BEARINGS: TRUE NORTH BASED ON GEODETIC OBSERVATION IL EAST ZONE
3. PREPARED FOR: CRAIGACCORD, INC 109 WEST WASHINGTON, SUITE 405 CHICAGO, ILLINOIS 60606
4. NO DIMENSIONS SHOULD BE ASSUMED BY SCALE MEASUREMENTS UPON THE PLAT.
5. ZONING INFORMATION SHOWN HEREON BASED ON CHICAGO DEPARTMENT OF ZONING ON-LINE ZONING MAP ACCESSED FEBRUARY 10, 2014
6. SITE CURRENTLY ZONED DPD-1227
7. LAST DAY OF FIELD WORK: FEBRUARY 3, 2013.

LEGEND

- BOUNDARY LINE
- EXISTING RIGHT-OF-WAY OR LOT LINE
- PREVIOUS LOT LINE
- PARCEL LINE
- IRON PIPE (I.P.)
- CUT CROSS
- PK / MAG NAIL
- RECORD DIMENSION
- TRAFFIC FLOW DIRECTION
- PKA — PREVIOUSLY KNOWN AS
- POB — POINT OF BEGINNING
- POC — POINT OF COMMENCEMENT

CURVE NO	LENGTH	RADIUS	CHORD	CHORD BEARING
1	82.26'	318.00'	80.65	S21°01'21"E
3	51.11'	250.00'	51.08	S82°51'11"W
4	47.46	68.00	46.50	N11°15'21"W
5	21.62'	68.00	21.53	N82°24'33"W
6	82.42	249.51	82.06	S78°01'08"W
7	69.76	249.51	69.54	S86°31'43"W
8	8.35	300.00	8.35	N80°29'17"E
9	54.57	318.00'	54.49	S78°16'10"E
10	26.42	318.00	26.37	S67°41'49"E
11	25.84'	68.00'	25.37	N62°24'54"W

CDOT#XX-XX-XX-XXXX

FOR REVIEW PURPOSES ONLY

REVISIONS
08/07/2013
08/26/2013
02/18/2014

CRAIGACCORD, INC.

CONSULTING ENGINEERS
SITE DEVELOPMENT ENGINEERS
LAND SURVEYORS

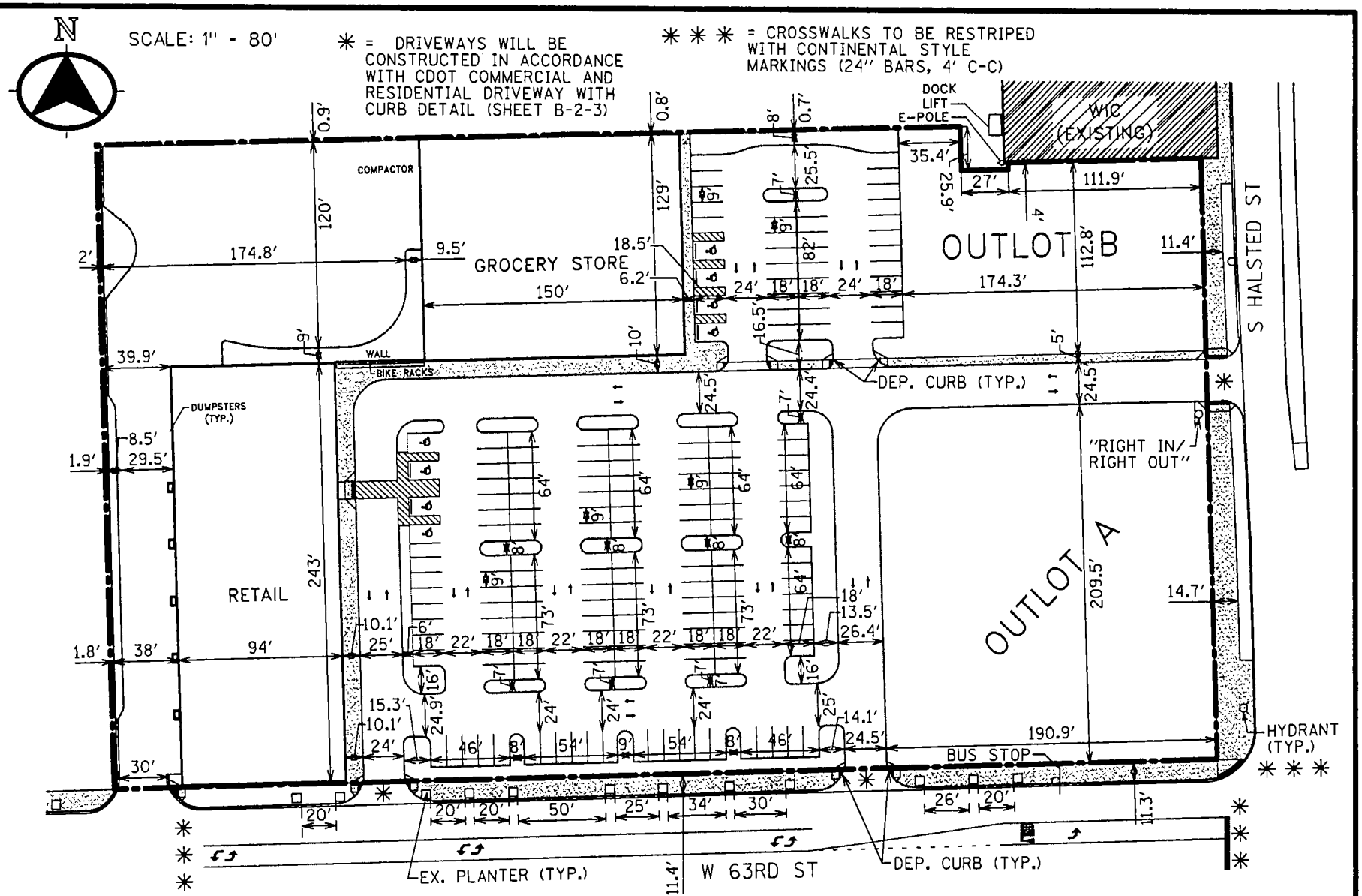
9575 W Higgins Road Suite 700
Rosemont, Illinois 60018
Phone (847) 696-4380 Fax (847) 696-4565

DATE 08/26/2013
JOB NO. 13390
FILENAME 13905JB-01
SHEET 1 OF 4

EXHIBIT E

SITE PLAN

(ATTACHED)



SITE PLAN (DETAIL - SHEET 1 OF 2)

APPLICANT: CHICAGO NEIGHBORHOOD INITIATIVES, INC. ON BEHALF OF THE CITY OF CHICAGO

ADDRESS: 800 WEST 63" STREET
INTRODUCTION DATE: SEPTEMBER 11, 2013
REVISED: NOVEMBER 21, 2013

SPACECO INC.
CONSULTING ENGINEERS
SITE DEVELOPMENT ENGINEERS
LAND SURVEYORS
9575 W Higgins Road Suite 700.
Rosemont, Illinois 60018
Phone (847) 696-4060 Fax (847) 696-4065

EXHIBIT F

FORM OF RECONVEYANCE DEED

(TO BE ADDED)

EXHIBIT G

DRAFT NFR LETTER

(TO BE ADDED)

EXHIBIT H

PERMITTED LIENS

(TO BE ADDED)

EXHIBIT I

PROJECT BUDGET

(TO BE ADDED)

EXHIBIT J

INSURANCE

(TO BE ADDED)

EXHIBIT K

FORM OF LEGAL OPINION

(TO BE ADDED)

EXHIBIT L

ESTIMATED CONSTRUCTION SCHEDULE

(TO BE ADDED)

EXHIBIT M

MINIMUM ASSESSED VALUE

Tax Year[1]	Projected Assessed Value[2]	Additional 25%	Section 18.3 Value
2017	$1,187,631	$296,908	$1,484,539
2018	$1,211,384	$302,846	$1,514,230
2019	$1,235,611	$308,903	$1,544,514
2020	$1,260,324	$315,081	$1,575,404
2021	$1,285,530	$321,382	$1,606,912
2022	$1,311,241	$327,810	$1,639,051
2023	$1,337,465	$334,366	$1,671,832
2024	$1,364,215	$341,054	$1,705,268
2025	$1,391,499	$347,875	$1,739,374
2026	$1,419,329	$354,832	$1,774,161
2027	$1,447,716	$361,929	$1,809,644
2028	$1,476,670	$369,167	$1,845,837
2029	$1,506,203	$376,551	$1,882,754
2030	$1,536,327	$384,082	$1,920,409
2031	$1,567,054	$391,763	$1,958,817

(1) Based on Accrual Year
(2) Assessed Value increased by 2% annually.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Englewood Square, LP

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1050 E. 95th St.
Chicago, IL 60619

C. Telephone: 312-636-6937 Fax: 312-253-4440 Email: rolando@acostalawpc.com

D. Name of contact person: Rolando R. Acosta

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd St. & Halsted

G. Which City agency or department is requesting this EDS? DHED

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Fresh Property Management, LLC	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Walker Family Trust	1050 East 95th St., Chicago, IL 60619	95%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Rolando R. Acosta	2949 W. Gregory St., Chicago, IL 60625		$30,000 (est)

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: *If the Matter is federally funded*, complete this Section VI. *If the Matter is not federally funded*, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1 The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party *cannot certify as to any* of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Englewood Square, LP
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Leon I. Walker
(Print or type name of person signing)

Manager of General Partner
(Print or type title of person signing)

Signed and sworn to before me on (date) 9/16/13
at Cook County, Illinois (State).

_____ Notary Public.

Commission expires: 7/24/2016

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd & Halsted [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Englewood Square, LP Date: 1-12-15

(Print or type legal name of Disclosing Party)

By: _____

(sign here)

Print or type name of signatory:

Leon I. Walker

Title of signatory:

Manager of General Partner

Signed and sworn to before me on [date] January 12th 2015 by Leon I. Walker, at Cook County, Illinois [state].

_____ Notary Public.

Commission expires:

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Fresh Property Management, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [x] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Englewood Square, LP
   OR
3. [x] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: Englewood Square, LP

B. Business address of the Disclosing Party: 1050 East 95th St.
Chicago, IL 60619

C. Telephone: 312-636-6937 Fax: 312-253-4440 Email: rolando@acostalawpc.com

D. Name of contact person: Rolando R. Acosta

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd St. & Halsted

G. Which City agency or department is requesting this EDS? DHED

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[x] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

_____

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Leon I. Walker	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Walker Family Trust	1050 E. 95th St., Chicago, IL 60619	95%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

[illegible] Purchasing Party is not delinquent in the payment of taxes administered by the Illinois Department of Revenue, nor is the Purchasing Party or the Mutual Energy entity party to any proceeding to contest or object to any charge owed to the State. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

[illegible] Purchasing Party is the Applicant, the Purchasing Party and its Affiliated Entities shall not, in connection with the subscription, purchase or transfer of the [illegible] or the Subscription Rights [illegible] unlawful by the U.S. Department of Energy or the U.S. Environmental Protection Agency.

[illegible] Purchasing Party is the Applicant, the Purchasing Party represents that [illegible] applicable laws, rules and regulations of [illegible] and [illegible] with the Master Community documents applicable to [illegible] and subscription of [illegible] and [illegible] and will not, without the prior written consent of the Master Association, transfer, sell, assign or otherwise dispose of the Subscription Rights or any portion thereof or any interest therein to any person or entity that the Purchasing Party has reason to believe is [illegible] or has engaged in [illegible] activities.

Subject to the Purchasing Party's compliance with the terms and conditions of [illegible] and [illegible] subscription agreement, Purchasing Party hereby subscribes for [illegible] Units.

CERTIFICATION

Under penalty of perjury, the undersigned certifies that the social security number or taxpayer identification number provided on this [illegible] is correct and that the Purchasing Party is not subject to backup withholding because (a) the Purchasing Party is exempt from backup withholding, or (b) the Purchasing Party has not been notified by the Internal Revenue Service that the Purchasing Party is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the Internal Revenue Service has notified the Purchasing Party that the Purchasing Party is no longer subject to backup withholding.

[illegible] Management, LLC
(Name of legal entity of Purchasing Party)

By: [signature]
(Signature)

[illegible]
(Printed name and title of person signing)

[illegible]
(If joint tenancy, title as person signing)

Signature and Social Security or Federal Tax ID Number of Purchasing Party: 6/6/13
Address: [illegible]

[illegible]
Telephone number: [illegible]

General Seal
William L. Bagley
Notary Public, State of Illinois
My Commission Expires 07/28/2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd & Halsted [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Fresh Property Management, LLC

(Print or type legal name of Disclosing Party)

Date: 1-12-15

By: _____

(sign here)

Print or type name of signatory:

Leon I. Walker

Title of signatory:

Manager

Signed and sworn to before me on [date] January 12th 2015 by Leon I. Walker, at Cook County, Illinois [state].

_____ Notary Public.

Commission expires: _____.

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Walker Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Englewood Square, LP
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1050 E. 95th St.
Chicago, IL 60619

C. Telephone: 312-636-6937 Fax: 312-253-4440 Email: rolando@acostalawpc.com

D. Name of contact person: Rolando R. Acosta

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd St. & Halsted

G. Which City agency or department is requesting this EDS? DHED

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[x] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Leon I. Walker	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Diane Walker	1050 E. 95th St., Chicago, IL 60619	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article 1 of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1 The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Walker Family Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Leon I. Walker
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) 9/6/13
at Cook County, Illinois (State).

_____ Notary Public.

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

Commission expires: 7/24/2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd & Halsted [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Walker Family Trust
(Print or type legal name of Disclosing Party)

Date: 1-12-15

By:
(sign here)

Print or type name of signatory:

Leon I. Walker

Title of signatory:

Trustee

Signed and sworn to before me on [date] January 12TH 2015 by Leon I. Walker, at Cook County, Illinois [state].

Notary Public.

Commission expires:

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

Ver. 11-01-05

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Englewood Square, LP

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1050 E. 95th St.
Chicago, IL 60619

C. Telephone: 312-636-6937 Fax: 312-253-4440 Email: rolando@acostalawpc.com

D. Name of contact person: Rolando R. Acosta

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd St. & Halsted

G. Which City agency or department is requesting this EDS? DHED

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [X] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. ***NOTE**. Each legal entity listed below must submit an EDS on its own behalf.*

Name	Title
Fresh Property Management, LLC	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Walker Family Trust	1050 East 95th St., Chicago, IL 60619	95%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.
Rolando R. Acosta	2949 W. Gregory St., Chicago, IL 60625		$30,000 (est)

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1 The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1 and F.2 above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1, F.2 or F.3, above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Englewood Square, LP
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Leon I. Walker
(Print or type name of person signing)

Manager of General Partner
(Print or type title of person signing)

Signed and sworn to before me on (date) 9/16/13
at Cook County, Illinois (State).

_____ Notary Public

Commission expires: 7/24/2016

Official Seal
William S Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd & Halsted [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Englewood Square, LP Date: 1-12-15

(Print or type legal name of Disclosing Party)

By: _____

(sign here)

Print or type name of signatory:

Leon I. Walker

Title of signatory:

Manager of General Partner

Signed and sworn to before me on [date] January 12th 2015 by Leon I. Walker, at Cook County, Illinois [state].

_____ Notary Public.

Commission expires:

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Fresh Property Management, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [x] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Englewood Square, LP
   OR
3. [X] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: Englewood Square, LP

B. Business address of the Disclosing Party: 1050 East 95th St.
Chicago, IL 60619

C. Telephone: 312-636-6937 Fax: 312-253-4440 Email: rolando@acostalawpc.com

D. Name of contact person: Rolando R. Acosta

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd St. & Halsted

G. Which City agency or department is requesting this EDS? DHED

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[x] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Leon I. Walker	Manager

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Walker Family Trust	1050 E. 95th St., Chicago, IL 60619	95%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V,

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

[illegible] The Purchasing Party is not delinquent in the payment of taxes administered by the Illinois Department of Revenue, nor is the Purchasing Party in default with respect to any deferred payment plan for any taxes or other charges owed to the State. This includes, but is not limited to, all sales charges, use charges, license fees, parking lot fees, property taxes or sales taxes.

[illegible] If the Purchasing Party is the Applicant, the Purchasing Party and its Affiliates are not using and will not use the services of any individual subcontractor or other entity that is on the Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

[illegible] If the Purchasing Party is the Applicant, the Purchasing Party will obtain from any contractors or subcontractors hired or to be hired in connection with the Matter certifications equal to those made by the Purchasing Party in clauses (1) and (2) above and will not, without the prior written consent of the Department, use any such contractor or subcontractor that the Purchasing Party does not know after reasonable inquiry is capable of making those certifications.

[illegible] If the Purchasing Party is unable to certify to any of the statements in this Certification, the Purchasing Party must explain below:

CERTIFICATION

Under penalty of perjury, the Purchasing Party certifies that the Purchasing Party has not been barred from bidding on contracts by any agency or department of this State or any local unit of government due to the violation of any law or rule relating to bid rigging or bid rotating. All applicable statements contained herein are true, accurate and complete as of the date hereof.

[illegible]
(Print or type exact legal name of Purchasing Party)

By: [illegible]
(Sign here)

[illegible]
(Print or type name of person signing)

[illegible]
(Print or type title of person signing)

Subscribed and sworn to before me this [illegible]

[illegible]

[illegible]

Official Seal
William L Smith
Notary Public, State of Illinois
My Commission Expires 09/28/2016

[illegible]

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd & Halsted [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Fresh Property Management, LLC
(Print or type legal name of Disclosing Party)

Date: 1-12-15

By: _____
(sign here)

Print or type name of signatory:

Leon I. Walker

Title of signatory:

Manager

Signed and sworn to before me on [date] January 12th, 2015 by Leon I. Walker, at Cook County, Illinois [state].

_____ Notary Public.

Commission expires: _____.

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Walker Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Englewood Square, LP
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 1050 E. 95th St.
Chicago, IL 60619

C. Telephone: 312-636-6937 Fax: 312-253-4440 Email: rolando@acostalawpc.com

D. Name of contact person: Rolando R. Acosta

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd St. & Halsted

G. Which City agency or department is requesting this EDS? DHED

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[x] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [x] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Leon I. Walker	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Diane Walker	1050 E. 95th St., Chicago, IL 60619	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [x] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Walker Family Trust
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Leon I. Walker
(Print or type name of person signing)

Trustee
(Print or type title of person signing)

Signed and sworn to before me on (date) 9/6/13
at Cook County, Illinois (State).

_____ Notary Public.

Commission expires: 7/24/2016

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with Negotiated Sale of approx. 5.4 acres at northwest corner of 63rd & Halsted [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Walker Family Trust

(Print or type legal name of Disclosing Party)

Date: 1-12-15

By:

(sign here)

Print or type name of signatory:

Leon I. Walker

Title of signatory:

Trustee

Signed and sworn to before me on [date] January 12th 2015 by Leon I. Walker, at Cook County, Illinois [state].

Notary Public.

Commission expires:

Official Seal
William E Smith
Notary Public State of Illinois
My Commission Expires 07/24/2016

Ver. 11-01-05

City of Chicago

O2015-125

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	1/21/2015
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Service provider agreement with Far South Community Development Commission for Special Service Area No. 49
Committee(s) Assignment:	Committee on Finance

FIN.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a 2015 Service Provider Agreement with the Far South Community Development Commission.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, special service areas may be established pursuant to Article VII, Sections 6(l) and 7(6) of the Constitution of the State of Illinois, and pursuant to the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq., as amended from time to time and pursuant to the Property Tax Code, 35 ILCS 200/1-1 et seq., as amended from time to time; and

WHEREAS, on December 8, 2010, the City Council of the City of Chicago (the "City Council") enacted an ordinance (the "Establishment Ordinance") which established an area known and designated as City of Chicago Special Service Area Number 49 (the "Area") and authorized the levy of an annual tax, for the period beginning in 2010 through and including 2019, not to exceed an annual rate of two percent (2%) of the equalized assessed value of the taxable property therein (the "Services Tax") to provide certain special services in and for the Area in addition to the services provided by and to the City of Chicago generally (the "Special Services"); and

WHEREAS, the Establishment Ordinance established the Area as that territory consisting approximately of Exchange Avenue from the south side of 71st Street to 79th Street; 75th Street from the east side of Paxton Avenue to west side of South Shore Avenue; 79th Street from the east side of Paxton Avenue to the west side of South Shore Avenue; and

WHEREAS, the Special Services authorized in the Establishment Ordinance include, but are not limited to: recruitment of new businesses to the Area, rehabilitation activities, maintenance and beautification activities, security, coordination of promotional and advertising activities, strategic planning for the Area, and other technical assistance activities to promote commercial and economic development (which may include, but are not limited to, streetscape improvements, strategic transit/parking improvement including parking management studies, and enhanced land use oversight and control initiatives); and

WHEREAS, the Establishment Ordinance provided for the appointment of the South Shore/Exchange Special Service Area Commission (the "Commission") for the purpose of recommending to the City Council a yearly budget based upon the cost of providing the Special Services and further to advise the City Council regarding the amount of the Services Tax to be levied; and

WHEREAS, it is the responsibility of the Commission to recommend an entity to serve as a service provider (the "Service Provider"), the form of an agreement between the City and the Service Provider for the provision of Special Services to the Area, and a line item budget to be included in the agreement between the City and the Service Provider; and

WHEREAS, on November 19, 2014, the City Council approved, among other things, the levy and collection of the Services Tax for tax year 2014 in an amount not to exceed $427,691 for the provision of the Special Services during fiscal year 2014 (the "2014 Levy Ordinance"); and

WHEREAS, the 2014 Levy Ordinance anticipated that the City Council would be provided with a recommendation for a service provider and a service provider agreement for the

expenditure of the Services Tax levied and collected in accordance with the 2014 Levy Ordinance for the provision of the Special Services during fiscal year 2015; and

WHEREAS, the Commission has recommended an agreement with the Far South CDC, an Illinois not-for profit corporation, as the Service Provider, the terms and conditions of which provide for the expenditure of the Services Tax levied pursuant to the 2014 Levy Ordinance for the provision of the Special Services in fiscal year 2015, in substantially the form attached hereto as Exhibit A; now therefore

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

SECTION 1. Incorporation of Preambles. The preambles of this ordinance are hereby incorporated into this text as if set out herein in full.

SECTION 2. Service Provider Agreement. The Commissioner of Planning and Development (the "Commissioner"), or a designee of the Commissioner, are each hereby authorized, subject to approval by the Corporation Counsel as to form and legality, to enter into, execute and deliver an agreement with the Far South CDC, an Illinois not-for-profit corporation, in substantially the form attached hereto as Exhibit A and hereby made a part hereof (the "Service Provider Agreement"), and such other supporting documents, if any, as may be necessary to carry out and comply with the provisions of the Service Provider Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Service Provider Agreement. Upon execution, the term of the Service Provider Agreement shall begin retroactively as of January 1, 2015 and cover the period through and including December 31, 2015.

SECTION 3. Enforceability. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Conflict. This ordinance shall control over any provision of any other ordinance, resolution, motion or order in conflict with this ordinance, to the extent of such conflict.

SECTION 5. Effective Date. This ordinance shall take effect as of the date of its passage and approval.

EXHIBIT A

Service Provider Agreement

Agreement for Special Service Area #49

between

the CITY OF CHICAGO

(Represented by the Special Service Area Commission)

and

FAR SOUTH CDC

effective January 1, 2015 through December 31, 2015

Rahm Emanuel
Mayor

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EXHIBIT 8 Additional Audit Requirements

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AGREEMENT

This Agreement for the management of Special Service Area Number 49 is entered into on_____ _____, 2015 by and between Far South CDC an Illinois not-for-profit corporation ("Contractor"), and the City of Chicago ("City"), a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through the Special Service Area Commission at Chicago, Illinois.

RECITALS

WHEREAS, special service areas may be established pursuant to Article VII, §§ 6(1) and 7(6) of the Constitution of the State of Illinois, and pursuant to the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq.; and

WHEREAS, the City Council of the City of Chicago ("City Council") has established a special service area known and designated as "Special Service Area Number 49" ("Area"), to provide special services in addition to those services provided generally by the City ("Special Services"). The City Council has further authorized the levy of an annual ad valorem real property tax in the Area sufficient to produce revenues required to provide those Special Services but not to exceed 2.00% of the equalized assessed value of all property within the Area ("Service Tax"), all as provided in the Establishment Ordinance (hereinafter defined); and

WHEREAS, the City Council, on December 10, 2014, authorized the levy of the Service Tax and appropriation of the funds therefrom for the Area for fiscal year 2015 for the provision of the Special Services in the Area, and the City wishes to provide that the Contractor, beginning retroactively on January 1, 2015, and continuing until December 31, 2015, may use those funds to provide the Services, subject to the terms and conditions of this Agreement; and

WHEREAS, the Contractor and the City desire to enter into this Agreement to provide such Special Services in the Area and the Contractor is ready, willing and able to enter into this Agreement to provide the Special Services to the full satisfaction of the City;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the City and the Contractor agree as follows:

ARTICLE 1 INCORPORATION OF RECITALS

The recitals set forth above are incorporated by reference as if fully set forth herein.

ARTICLE 2 DEFINITIONS

The following words and phrases shall have the following meanings for purposes of this Agreement:

"**Agreement**" means this Special Service Area Agreement, including all exhibits attached to it and incorporated in it by reference, and all amendments, modifications or revisions made in accordance with its terms.

"**Commissioner**" means the Commissioner of the Department of Planning and Development or a duly authorized representative of the Commissioner of the Department of Planning and Development.

"**Construction**" means that work of a nature constituting "public works" as defined in 820 ILCS 130/2, such as landscaping and building activities, including but not limited to, physical building improvements, installations and other fixed works, but does not include pre-development work (design and preparation of specifications).

"**Days**" means business days in accordance with the City of Chicago business calendar.

"**Department**" means the City of Chicago Department of Planning and Development.

"**Establishment Ordinance**" means the ordinance enacted by City Council on December 10, 2010, and any subsequent amendments thereto authorizing imposition of the Service Tax and setting forth the Special Services to be provided in the Area.

"Late Collections" means any tax revenue received by the City during the term of this Agreement attributable to the levy of the Service Tax in prior years in the SSA, along with any interest income on such revenue.

"**Risk Management Division**" means the Risk Management Division of the Department of Finance which is under the direction of the Comptroller of the City and is charged with reviewing and analyzing insurance and related liability matters for the City.

"**Security Firm**" means a business entity certified by the State of Illinois pursuant to the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004, 225 ILCS 447 et seq., and whose employees are licensed by the State of Illinois.

"**Services**" means, collectively, the services, duties and responsibilities described in Article 3 and Exhibit 1 (Scope of Services & Budget) of this Agreement and any revisions thereof and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

"**Service Tax Funds**" means the amount actually collected pursuant to the Service Tax.

"**Special Service Area Commission ('SSAC')**" means the body established pursuant to the Establishment Ordinance to prepare the Budget, identify a Contractor and supervise the provision of the Special Services in the Area.

"**Subcontractor**" means any person or entity with whom Contractor contracts to provide any part of the Services, including subcontractors of any tier, subconsultants of any tier, suppliers and materialmen, whether or not in privity with the Contractor.

"**Surplus Funds**", also referred to as "Carry-Over Funds", means those Service Tax Funds already collected and disbursed to the Contractor in prior years for the provision of Special Services in the Area which remain unspent, including any interest earned thereon.

ARTICLE 3 DUTIES AND RESPONSIBILITIES OF CONTRACTOR

3.01 Scope of Services

The Services which the Contractor shall provide include, but are not limited to, those described in this Article 3 and in Exhibit 1 which is attached hereto and incorporated by reference as if fully set forth here. The SSAC reserves the right to require the Contractor to perform revised services that are within the general scope of services of this Agreement and of the Special Services identified in the Establishment Ordinance subject to the same terms and conditions herein. Revised services are limited to changes or revisions to the line items in the Budget, do not affect the maximum compensation and require the prior written approval of the SSAC. The SSAC may, by written notice to the Department and the Contractor, delete or amend the figures contained and described in the Budget attached hereto as Exhibit 1 and incorporated by reference as if fully set forth herein. The Contractor shall provide the Services in accordance with the standards of performance set forth in Section 3.02.

3.02 Standard of Performance

The Contractor shall perform all Services required of it with that degree of skill, care and diligence normally shown by a contractor performing services of a scope, purpose and magnitude comparable with the nature of the Services to be provided hereunder. The Contractor shall at all times use every reasonable effort on behalf of the City to assure timely and satisfactory rendering and completion of its Services.

The Contractor shall at all times act in the best interests of the City consistent with the professional obligations assumed by it in entering into this Agreement. The Contractor shall perform all Services in accordance with the terms and conditions of this Agreement and to the full satisfaction of the SSAC. The Contractor shall furnish efficient business administration and supervision to render and complete the Services at reasonable cost.

The Contractor shall assure that all Services that require the exercise of professional skills

or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. The Contractor remains responsible for the professional and technical accuracy of all Services provided, whether by the Contractor or its Subcontractors or others on its behalf.

If the SSAC determines that the Contractor has failed to comply with the foregoing standards, the Contractor shall perform again, at its own expense, all Services required to be reperformed as a direct or indirect result of such failure. Any review, approval, acceptance or payment for any or all of the Services by the City does not relieve the Contractor of its responsibility for the professional and technical accuracy of its Services. This provision in no way limits the City's rights against Contractor, either under this Agreement, at law or in equity.

3.03 Personnel

A. Key Personnel

The Contractor shall, immediately upon receiving a fully executed copy of this Agreement, assign and maintain during the term of this Agreement and any extension thereof an adequate staff of competent personnel, who are fully equipped, licensed as appropriate, available as needed, qualified and assigned to perform the Services. Contractor shall pay the salaries and wages due all its employees performing Services under this Agreement unconditionally and at least once a month without deduction or rebate on any account, except only for such payroll deductions as are mandatory by law or are permitted under applicable law and regulations.

B. Prevailing Wages

If the Contractor engages in Construction, it shall comply, and shall cause all of its Subcontractors to comply by inserting appropriate provisions in their contracts, with 820 ILCS 130/0.01 et seq. regarding the payment of the general prevailing rate of hourly wage for all laborers, workers, and mechanics employed by or on behalf of the Contractor and all Subcontractors in connection with any and all Construction work. The prevailing rates of wages applicable at the time of execution of this Agreement are included in Exhibit 5 to this Agreement, which is incorporated by reference as though fully set forth herein.

C. Illinois Workers, Veterans Preference and Steel Products

If the Contractor engages in Construction, it shall comply, and shall cause all of its Subcontractors to comply by inserting appropriate provisions in their contracts, with the Employment of Illinois Workers on Public Works Act, 30 ILCS 570/0.01 et seq., the Veterans Preference Act, 330 ILCS 55/0.01 et seq., and the Steel Products Procurement Act, 30 ILCS 30/565/1 et seq.

3.04 Nondiscrimination

A. **Contractor**

(i) Federal Requirements

Contractor must not engage in unlawful employment practices, such as (1) failing or refusing to hire or discharging any individual, or otherwise discriminating against any individual with respect to compensation or the terms, conditions or privileges of the individual's employment, because of the individual's race, color, religion, sex, age, handicap/disability or national origin; or (2) limiting, segregating or classifying Contractor's employees or applicants for employment in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect the individual's status as an employee, because of the individual's race, color, religion, sex, age, handicap/disability or national origin.

Contractor must comply with, and the procedures Contractor utilizes and the Services Contractor provides under this Agreement must comply with, the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq. (1981), as amended and the Civil Rights Act of 1991, P.L. 102-166. Attention is called to: Exec. Order No. 11246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. § 2000e note, as amended by Exec. Order No. 11375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. §§ 6101-6106 (1981); Age Discrimination in Employment Act, 29 U.S.C. §§ 621-34; Rehabilitation Act of 1973, 29 U.S.C. §§ 793-794 (1981); Americans with Disabilities Act, 42 U.S.C. §12101 et seq.; 41 C.F.R. Part 60 et seq. (1990); and all other applicable federal statutes, regulations and other laws.

(ii) State Requirements

Contractor must comply with, and the procedures Contractor utilizes and the Services Contractor provides under this Agreement must comply with, the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq.(1990), as amended and any rules and regulations promulgated in accordance with it, including the Equal Employment Opportunity Clause, 44 Ill. Admin. Code § 750 Appendix A. Furthermore, Contractor must comply with the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 et seq.(1990), as amended, and all other applicable state statues, regulations and other laws.

(iii) City Requirements

Contractor must comply with, and the procedures Contractor utilizes and the Services Contractor provides under this Agreement must comply with, the Chicago Human Rights Ordinance, ch. 2-160, Section 2-160-010 et seq. of the Municipal Code of Chicago (1990), as amended, and all other applicable City ordinances and rules.

B. **Subcontractors**

Contractor must incorporate all of this Section 3.04 by reference in all agreements entered into with any suppliers of materials, furnisher of services, Subcontractors of any tier, and labor organizations that furnish skilled, unskilled and craft union skilled labor, or that may provide any such materials, labor or services in connection with this Agreement. Further, Contractor must furnish and must cause each of its Subcontractor(s) to furnish such reports and information as requested by the federal, state and local agencies charged with enforcing such laws and regulations, including the Chicago Commission on Human Relations.

3.05 Insurance

The Contractor shall comply with the insurance provisions attached hereto as Exhibit 3 and incorporated by reference as if fully set forth herein, or such other insurance provisions as may be required in the reasonable judgment of the Risk Management Division. If the Contractor enters into a subcontract with a Security Firm such Security Firm shall comply with the insurance provisions attached hereto as Exhibit 4 and incorporated by reference as if fully set forth herein, or such other insurance provisions as may be required in the reasonable judgment of the Risk Management Division. If the Contractor subcontracts with a Subcontractor other than a Security Firm, such Subcontractor shall comply with the Contractor insurance provisions attached hereto as Exhibit 3.

The Risk Management Division may waive or reduce any of the insurance requirements set forth herein.

3.06 Indemnification

A. On written notice from the City of Losses the City believes are Losses Arising under this Agreement as defined in this Section 3.06, the Contractor shall defend, indemnify, and hold completely harmless the City Indemnitees from and against such Losses, regardless of whether Contractor challenges the City's belief. The defense, indemnification and hold harmless obligations of the Contractor toward City Indemnitees remain an affirmative obligation of Contractor following the City's notice of Losses the City believes are Losses Arising under this Agreement, unless and until a court of competent jurisdiction finally determines otherwise and all opportunities for appeal have been exhausted or have lapsed.

B. For purposes of this Section 3.06,

"City Indemnitees" means, individually and collectively, the City of Chicago, its officials, agents, employees and SSAC members.

"Losses" means, individually and collectively, all kinds of liabilities, losses, suits, claims, damages, judgments, fines, and demands, including all reasonable costs for investigation,

reasonable attorneys' fees, court costs, and experts' fees, arising by reason of injury or death of any person, damage to property, patent or copyright infringement.

"Arising under this Agreement" means (i) arising out of awarding this Agreement, (ii) arising out of the enforcement of this Agreement, including the enforcement of this indemnification provision; (iii) arising out of or in connection with Contractor's performance or non-performance of this Agreement (including the acts or omission of Contractor, its officers, agents, employees, consultants, subcontractors, licensees, or invitees), any breach by any of them of any warranty made under this Agreement, or any failure by any of them to meet any applicable standard of performance under this Agreement; or (iv) any combination of any of the foregoing.

C. To the extent permissible by law, Contractor waives any limits on Contractor's liability that it would otherwise have by virtue of the Worker's Compensation Act or any other related law or judicial decision (such as *Kotecki v. Cyclops Welding Corporation*, 146 Ill. 2d 155 (1991)). The City, however, does not waive any limitations it may have on its liability under the Worker's Compensation Act or under the Illinois Pension Code.

D. The City has the right, at its option and at its own expense, to participate in the defense of any suit without relieving Contractor of any of its obligations under this indemnity provision. The requirements set forth in this indemnity provision are separate from and not limited by the amount of insurance Contractor is required to obtain under this Agreement or by its bonds pursuant to other provisions in this Agreement. Further, the indemnitees contained in this provision survive the expiration or termination of this Agreement.

3.07 Records and Audits

The Contractor shall deliver or cause to be delivered all documents, data, studies, reports, findings or information to the SSAC promptly in accordance with the time limits prescribed herein and if no time limit is specified, then upon reasonable demand therefore, or upon termination or completion of the Services hereunder.

The Contractor agrees to adopt at its own expense such financial controls, including, without limitation, the employment of a fiscal agent approved by the Commissioner, as determined by the Commissioner in his sole discretion and communicated in writing to the Contractor after the date of execution of this Agreement, to ensure that the Contractor is fulfilling the terms of this Agreement.

The Contractor and any Subcontractors shall furnish the SSAC with semi-annual reports or provide such information as may be requested relative to the performance and cost of the Services. The Contractor shall maintain records showing actual time devoted and costs incurred. The Contractor shall keep books, documents, paper, records and accounts in connection with the Services open to inspection, copying, abstracting, transcription, and an independent audit by City employees or agents or third parties, and shall make these records available to the City and any other interested governmental agency at reasonable times during the performance of its Services.

Contractor must maintain any such records including Deliverables not delivered to the City or demanded by the City for a period that is the longer of (A) 5 years after the final payment made in connection with this Agreement (or, 6 years after the final payment made in connection with this Agreement, with respect to any records that are required to be maintained pursuant to the Contractor's obligations under the regulations implementing the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), which was part of the American Recovery and Reinvestment Act of 2009, specifically 45 C.F.R. § 164.530(j)), or (B) as directed by the Local Records Act (50 ILCS 205) and relevant records retention schedule. Contractor must not dispose of such records following the expiration of the relevant period without notification of and written approval from the City in accordance with Article 10.

In addition to the records to be stored by Contractor, all records that are possessed by Contractor in its service to the City to perform a governmental function are public records of the City pursuant to the Illinois Freedom of Information Act ("FOIA"), unless the records are exempt under the Act. FOIA requires that the City produce records in a very short period of time. If the Contractor receives a request from the City to produce records, the Contractor shall do so within 72 hours of the notice.

THE CONTRACTOR SHALL NOT COMMINGLE SERVICE TAX FUNDS WITH FUNDS FROM OTHER SOURCES, and to the extent that the Contractor conducts any business operations separate and apart from the Services hereunder using, for example, personnel, equipment, supplies or facilities also used in connection with this Agreement, then the Contractor shall maintain and make similarly available to the City detailed records supporting the Contractor's allocation to this Agreement of the costs and expenses attributable to any such shared usages.

The Contractor shall provide an annual audited financial statement (a "Third Party Audit") to the Department and the SSAC within 120 calendar days after the end of the calendar year, and the system of accounting shall be in accordance with generally accepted accounting principles and practices, consistently applied throughout. Contractor must comply with the requirements in Exhibit 8 with respect to any Third Party Audit. If any Third Party Audit shows that Contractor or any of its Subcontractors has overcharged the City in any period, the City will notify Contractor, and Contractor must then promptly reimburse the City for any amounts the City has paid Contractor due to the overcharges. Any failure to comply with the audit requirements set forth in Exhibit 8 of the Agreement shall constitute an event of default under the Agreement. If such event of default is not corrected to the City's satisfaction within the cure period identified by the City, the City may incur costs to conduct any supplementary audit it deems necessary, and Contractor must then promptly reimburse the City for any such costs. No provision in this Agreement granting the City a right of access to records and documents is intended to impair, limit or affect any right of access to such records and documents that the City would have had in the absence of such provisions.

The City may in its sole discretion audit the records of Contractor or its Subcontractors.

or both, at any time during the term of this Agreement or within five years after the Agreement ends, in connection with the goods, work, or services provided under this Agreement. Each calendar year or partial calendar year is considered an "audited period." If, as a result of such an audit, it is determined that Contractor or any of its Subcontractors has overcharged the City in the audited period, the City will notify Contractor. Contractor must then promptly reimburse the City for any amounts the City has paid Contractor due to the overcharges and also some or all of the cost of the audit, as follows:

A. If the audit has revealed overcharges to the City representing less than 5% of the total value, based on the Agreement prices, of the goods, work, or services provided in the audited period, then the Contractor must reimburse the City for 50% of the cost of the audit and 50% of the cost of each subsequent audit that the City conducts;

B. If, however, the audit has revealed overcharges to the City representing 5% or more of the total value, based on the Agreement prices, of the goods, work, or services provided in the audited period, then Contractor must reimburse the City for the full cost of the audit and of each subsequent audit.

If the City is unable to make a determination regarding overcharges to City as a result of Contractor's not having maintained records as required under this Agreement, Contractor must promptly reimburse the City for some or all of the cost of the audit, as determined in the sole discretion of the City. Failure of Contractor to promptly reimburse the City in accordance with this Section 3.07 is an event of default under Section 7.01 of this Agreement, and Contractor will be liable for all of the City's costs of collection, including any court costs and attorneys' fees.

3.08 Subcontracts and Assignments

The Contractor shall not assign, delegate, subcontract or otherwise transfer all or any part of its rights or obligations under this Agreement or any part hereof, unless otherwise provided for herein or without the express written consent of the SSAC. The absence of such provision or written consent shall void the attempted assignment, delegation or transfer and shall be of no effect as to the Services or this Agreement.

All subcontracts, all approvals of Subcontractors and any assignment to which the SSAC consents are, regardless of their form, deemed conditioned upon performance by the Subcontractor or assignee in accordance with the terms and conditions of this Agreement.

If the Contractor subcontracts for security services, the Subcontractor shall be a Security Firm certified by the State of Illinois and the Security Firm's employees shall be licensed by the State of Illinois. The Contractor, upon entering into any subcontract with a Security Firm, shall furnish the SSAC and the Department with a copy of the subcontract for their approval. The City expressly reserves the right to approve all Security Firm subcontracts.

3.09 License, Permits and Safety Considerations

A. Licenses and Permits

If the Contractor engages in Construction, it is responsible for and, in a timely manner consistent with its obligations hereunder, shall secure and maintain at its expense such permits, licenses, authorizations and approvals as are necessary for it to engage Construction under this Agreement

B. Safety Considerations

If the Contractor engages in Construction, it shall at all times exercise reasonable care, shall comply with all applicable provisions of federal, state and local laws to prevent accidents or injuries, and shall take all appropriate precautions to avoid damage to and loss of City property and the property of third parties in connection with the Construction. The Contractor shall erect and properly maintain at all times all necessary safeguards, barriers, flags and lights for the protection of its and its Subcontractors' employees, City employees and the public.

If the Contractor engages in Construction, it shall report to the Department any damage on, about, under or adjacent to City property or the property of third persons resulting from its performance under this Agreement. The Contractor is responsible for any damage to City property and the property of third parties due, in whole or in part, to the Contractor's Construction activities under this Agreement, and the Contractor shall repair such damage to a reasonably acceptable standard.

3.10 Performance Bond

If the Contractor engages in Construction work where expenditures exceed $100,000, it shall, not later than the date the Contractor begins such work or executes a subcontract for such work, provide or cause to be provided to the Department a performance and payment bond in the amount allocated for the Construction work (but not including the amount allocated for design and preparation of specifications), by a surety or sureties acceptable to the City. The performance bond shall be in the form and to the effect of Exhibit 6 hereto, which is incorporated by reference as if fully set forth here.

If any of the sureties on such bond at any time fail financially, or are deemed to be insufficient security for the penalty of the bond, then the City may, on giving 10 days notice thereof in writing, require the Contractor to furnish a new and additional bond with sureties satisfactory to the City, and, if so required, Contractor must promptly provide such bond.

ARTICLE 4 TERM OF SERVICES

This Agreement shall take effect as of January 1, 2015 ("Effective Date") and shall continue through December 31, 2015, or until the Agreement is terminated earlier in accordance with its terms.

ARTICLE 5 COMPENSATION

5.01 Basis of Payment

The maximum compensation that the Contractor may be paid under this Agreement between January 1, 2015 and December 31, 2015 is the sum of (a) $427,691 or the total amount of Service Tax Funds actually collected, plus interest earned on those funds, for tax year 2014, whichever is less; (b) the total amount of Surplus Funds in the amount of $0 which are being carried over from previous program years and which contractor hereby acknowledges are in its possession; and (c) Late Collections in an amount not to exceed $0; the maximum compensation that the Contractor may be paid under this Agreement between January 1, 2015 and December 31, 2015, therefore, shall not exceed $427,691.

5.02 Budget for Services

The Contractor in conjunction with the SSAC has prepared a Budget through December 31, 2015, attached hereto as Exhibit 1 and incorporated by reference as if fully set forth here, covering all services described in the Scope of Services. Subject to the restriction that the maximum amount that may be spent in calendar year 2015 may not exceed $427,691, the SSAC reserves the right to transfer funds between line items or make Budget revisions that do not affect the maximum compensation set forth in Section 5.01. The SSAC shall revise the Budget if any part of the Contractor's Services is terminated.

5.03 Method of Payment

Pursuant to a schedule to be determined by the Commissioner, after the performance of Services pursuant to the terms of this Agreement, Contractor may submit invoices to the City to request reimbursement for such expenses. The Contractor must provide, along with the invoices, such additional documentation as the Commissioner requests to substantiate the Services. Upon the Commissioner's determination that the invoices are accurate, the City will process payment of the invoices.

The Contractor shall establish a separate checking account ("Account") in a bank authorized to do business in the State of Illinois that is insured by the Federal Deposit Insurance Corporation. All Service Tax Funds that the Comptroller transfers to the Contractor shall be deposited in the Account and disbursements from the Account shall be pursuant to this Agreement. THE CONTRACTOR IS RESPONSIBLE FOR RECONCILING THE ACCOUNT MONTHLY AND ACCOUNTING FOR ALL SERVICE TAX FUNDS. THE CONTRACTOR MUST REQUIRE ITS AUDITOR TO REPORT ON THE ACTIVITIES THAT ARE SUPPORTED BY THESE FUNDS IN A SEPARATE AUDIT TO ACCOUNT FOR CURRENT AND PRIOR YEARS' SERVICE TAX FUNDS.

The Contractor shall provide to the SSAC the signature card and sample check from the

bank which shows the signature(s) of the Contractor's authorized representative(s). The SSAC reserves the right to audit the account and require the Contractor to refund any funds that were not spent pursuant to the Budget or that were not approved by the SSAC. The name and address of the bank is _____ and the wire transfer and the Account numbers are _____.

All funds remaining in the Account at the expiration or early termination of this Agreement, including any interest earned, belong to the City for the benefit of the Area and shall be returned to the City to be used only for Special Services.

5.04 Criteria for Payment

The SSAC shall determine the reasonableness, allocability and allowability of any rates, costs and expenses charged or incurred by the Contractor.

5.05 Funding

Payments under this Agreement shall be made from Service Tax Funds in fund number _____ and are subject to the availability of funds therein.

5.06 Non-Appropriation

In the event that no funds or insufficient funds are appropriated and budgeted in any City fiscal period for payments to be made under this Agreement, then the City will notify the Contractor of such occurrence and this Agreement shall terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. No payments shall be made or due to the Contractor under this Agreement beyond those amounts appropriated and budgeted by the City to fund payments hereunder.

ARTICLE 6 SPECIAL CONDITIONS

6.01 Warranties and Representations

In connection with the execution of this Agreement, the Contractor warrants and represents:

A. That it is financially solvent; that it and each of its employees, agents, and Subcontractors are competent to perform the Services required; that it is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated herein.

B. That it shall not knowingly use the services of any ineligible Subcontractor for any purpose in the performance of the Services.

C. That it and its Subcontractors are not in default at the time of the execution of this Agreement, or deemed by the Department to have, within five years immediately preceding the date of this Agreement, been found to be in default on any contract awarded by the City.

D. That it and, to the best of its knowledge, its Subcontractors are not in violation of the provisions of § 2-92-320 of the Municipal Code of Chicago, 720 ILCS 5/33E-1 et seq. of the Criminal Code of 1961, and 65 ILCS 5/11-42.1-1 of the Illinois Municipal Code.

E. That it, all Subcontractors and their respective officers, directors, agents, partners, and employees shall cooperate with the Inspector General or Board of Ethics in any investigation or hearing undertaken pursuant to Chapters 2-56 or 2-156 of the Municipal Code of Chicago; that it understands and will abide by all provisions of Chapter 2-56 and 2-156 of the Municipal Code of Chicago and all subcontracts shall inform Subcontractors of such provision and require understanding and compliance therewith.

F. That, except only for those representations, statements or promises expressly contained in this Agreement and any exhibits attached hereto, no representation, statement or promise, oral or written, or of any kind whatsoever, by the City, its officials, agents or employees, has induced the Contractor to enter into this Agreement.

G. That the Contractor understands and agrees that any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination for default.

H. That neither Contractor nor an Affiliate of Contractor (as defined below) appears on the Specially Designated Nationals List, the Denied Persons List, the unverified List, the Entity List or the Debarred List as maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the Bureau of Industry and Security of the U.S. Department of Commerce (or their successors), or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment. "Affiliate of Contractor" means a person or entity that directly (or indirectly through one or more intermediaries) controls, is controlled by or is under common control with Contractor. A person or entity will be deemed to be controlled by another person or entity if it is controlled in any manner whatsoever that results in control in fact by that other person or entity (either acting individually or acting jointly or in concert with others) whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

I. Contractor will abide by any policies promulgated by the Department or other City departments.

J. Contractor understands and will abide by, and will cause Subcontractors to abide by, the terms of Chapter 2-55 of the Municipal Code of Chicago pertaining to cooperation with the Office of the Legislative Inspector General. Contractor understands and will abide by the

terms of Section 2-154-020 of the Municipal Code of Chicago. Failure by the Contractor or any controlling person (as defined in Section 1-23-010 of the Municipal Code of Chicago) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code of Chicago shall be a default for which no cure is available and grounds for termination of this Agreement.

6.02 Economic Disclosure Statement and Affidavit

The Contractor has provided the City with an Economic Disclosure Statement (EDS) and Affidavit, "Familial Relationships with Elected City Officials and Department Heads," which is attached hereto as Exhibit 2 and incorporated by reference as if fully set forth herein. Contractor shall apprise the Department promptly of any changes in the information provided in the EDS by completing and submitting a revised EDS.

In addition, the Contractor shall provide the City with copies of its latest articles of incorporation, by-laws and resolutions, or partnership or joint venture agreement, as applicable, and evidence of its authority to do business in the State of Illinois, including without limitation, registrations of assumed names or limited partnerships and certifications of good standing with the Office of the Secretary of State of Illinois.

6.03 Conflict of Interest

Pursuant to Chapter 2-156 of the Municipal Code of Chicago, and 65 ILCS 5/3.1-55-10, no member of the governing body of the City or other unit of government, no other officer, employee, SSAC member, or agent of the City or other unit of government who exercises any functions or responsibilities in connection with the Services to which this Agreement or any related subcontract pertain, and no relative of any SSAC member shall have any personal economic or financial interest, directly or indirectly, in this Agreement or any such subcontract except to the extent that such benefits are provided equally to all residents and/or business owners in the Area. Furthermore, no SSAC member, relative of any SSAC member, City official, agent or employee shall be a Subcontractor or have any financial interest in any Subcontractor, employee or shareholder of the Contractor or receive anything of value from the Contractor.

No member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or City employee shall be admitted to any share or part of this Agreement or to any financial benefit to arise from it. The Contractor acknowledges that any agreement entered into, negotiated or performed in violation of any of the provisions of Chapter 2-156 shall be voidable by the City.

The Contractor covenants that it, its officers, directors and employees, and the officers, directors and employees of each of its members if a joint venture, and Subcontractors presently have no financial interest and shall acquire no interest, direct or indirect, in the Services undertaken by the Contractor pursuant to the Agreement that would conflict in any manner or

degree with the performance of the Services. The Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed. The Contractor agrees that if the Commissioner in his reasonable judgment determines that any of the Contractor's services for others conflict with the Services the Contractor is to provide for the City under this Agreement, the Contractor shall terminate such other services immediately upon request of the City.

6.04 Non-liability of Public Officials

No official, employee or agent of the City shall be charged personally by the Contractor, or by any assignee or Subcontractor of the Contractor, with any liability or expenses of defense or be held personally liable to them under any term or provision hereof, because of the City's execution or attempted execution hereof, or because of any breach hereof.

6.05 Independent Contractor

(a) The Contractor shall perform under this Agreement as an independent contractor to the City and not as a representative, employee, agent or partner of the City.

(b) (i) The City is subject to June 24, 2011 the "City of Chicago Hiring Plan" (the "City Hiring Plan") entered in Shakman v. Democratic Organization of Cook County, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(ii) Contractor is aware that City policy prohibits City employees from directing any individual to apply for a position with Contractor, either as an employee or as a subcontractor, and from directing Contractor to hire an individual as an employee or as a subcontractor. Accordingly, Contractor must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Contractor under this Agreement are employees or subcontractors of Contractor, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Contractor.

(iii) Contractor will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or

entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(iv) In the event of any communication to Contractor by a City employee or City official in violation of Section (ii) above, or advocating a violation of Section (iii) above, Contractor will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General, and also to the head of the relevant City Department utilizing services provided under this Agreement. Contractor will also cooperate with any inquiries by OIG Hiring Oversight related to the contract.

(c) The parties agree that this Contract is solely for the benefit of the parties and nothing herein is intended to create any third party beneficiary rights for subcontractors or other third parties.

6.06 Business Relationships with Elected Officials

Pursuant to MCC Sect. 2-156-030(b), it is illegal for any elected official, or any person acting at the direction of such official, to contact either orally or in writing any other City official or employee with respect to any matter involving any person with whom the elected official has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. In addition, no elected official may participate in any discussion in any City Council committee hearing or in any City Council meeting or vote on any matter involving the person with whom the elected official has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months.

Violation of MCC Sect. 2-156-030 by any elected official with respect to this contract will be grounds for termination of this contract. The term financial interest is defined as set forth in MCC Chapter 2-156.

6.07 Chicago "Living Wage" Ordinance

(a) Section 2-92-610 of the Municipal Code of Chicago provides for a living wage for certain categories of workers employed in the performance of City contracts, specifically non-City employed security guards, parking attendants, day laborers, home and health care workers, cashiers, elevator operators, custodial workers and clerical workers ("**Covered Employees**"). Accordingly, pursuant to Section 2-92-610 and regulations

promulgated under it:

(i) If Contractor has 25 or more full-time employees, and

(ii) If at any time during the performance of this Agreement, Contractor and/or any Subcontractor or any other entity that provides any portion of the Services (collectively "**Performing Parties**") uses 25 or more full-time security guards, or any number of other full-time Covered Employees, then

(iii) Contractor must pay its Covered Employees, and must assure that all other Performing Parties pay their Covered Employees, not less than the minimum hourly rate as determined in accordance with this provision (the "**Base Wage**") for all Services performed under this Agreement.

(b) Contractor's obligation to pay, and to assure payment of, the Base Wage will begin at any time during the term of this Agreement when the conditions set forth in (a)(i) and (a)(ii) above are met, and will continue until the end of the term of this Agreement.

(c) As of July 1, 2014, the Base Wage is $11.93 per hour, and each July 1 thereafter, the Base Wage will be adjusted, using the most recent federal poverty guidelines for a family of four as published annually by the U.S. Department of Health and Human Services, to constitute the following: the poverty guidelines for a family of four divided by 2000 hours or the current base wage, whichever is higher. At all times during the term of this Agreement, Contractor and all other Performing Parties must pay the Base Wage (as adjusted in accordance with the above). If the payment of prevailing wages is required for Services done under this Agreement, and the prevailing wages for Covered Employees are higher than the Base Wage, then Contractor and all other Performing Parties must pay the prevailing wage rates.

(d) Contractor must include provisions in all subcontracts requiring its Subcontractors to pay the Base Wage to Covered Employees. Contractor agrees to provide the City with documentation acceptable to the Chief Procurement Officer demonstrating that all Covered Employees, whether employed by Contractor or by a Subcontractor, have been paid the Base Wage, upon the City's request for such documentation. The City may independently audit Contractor and/or Subcontractors to verify compliance with this section. Failure to comply with the requirements of this section will be an event of default under this Agreement, and further, failure to comply may result in ineligibility for any award of a City contract or subcontract for up to 3 years.

(e) Not-for-Profit Corporations: If Contractor is a corporation having federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is recognized under Illinois not-for-profit law, then the provisions of Sections (a) through (d) above do not apply.

6.08 Deemed Inclusion

Provisions required by law, ordinances, rules, regulations or executive orders to be inserted in this Agreement are deemed inserted in this Agreement whether or not they appear in this Agreement or, upon application by either party, this Agreement will be amended to make the insertion; however, in no event will the failure to insert the provisions before or after this Agreement is signed prevent its enforcement.

6.09 Environmental Warranties and Representations

In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Contractor warrants and represents that it, and to the best of its knowledge, its subcontractors have not violated and are not in violation of the following sections of the Code (collectively, the Waste Sections):

7-28-390 Dumping on public way;
7-28-440 Dumping on real estate without permit;
11-4-1410 Disposal in waters prohibited;
11-4-1420 Ballast tank, bilge tank or other discharge;
11-4-1450 Gas manufacturing residue;
11-4-1500 Treatment and disposal of solid or liquid waste;
11-4-1530 Compliance with rules and regulations required;
11-4-1550 Operational requirements; and
11-4-1560 Screening requirements.

During the period while this Agreement is executory, Contractor's or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Commissioner. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity.

This section does not limit Contractor's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement.

Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect Contractor's eligibility for future contract awards.

6.10 EDS / Certification Regarding Suspension and Debarment

Contractor certifies, as further evidenced in the EDS attached as Exhibit 2, by its acceptance of this Agreement that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this

transaction by any federal department or agency. Contractor further agrees by executing this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts and subcontracts. If Contractor or any lower tier participant is unable to certify to this statement, it must attach an explanation to the Agreement.

6.11 Ethics

(a) In addition to other warranties and representations, Contractor warrants:

(i) no officer, agent or employee of the City is employed by Contractor or has a financial interest directly or indirectly in this Agreement or the compensation to be paid under this Agreement except as may be permitted in writing by the Board of Ethics established under Chapter 2-156 of the Municipal Code .

(ii) no payment, gratuity or offer of employment will be made in connection with this Agreement by or on behalf of any Subcontractors to Contractor or higher tier Subcontractors or anyone associated with them, as an inducement for the award of a subcontract or order.

(b) Contractor must comply with Chapter 2-156 of the Municipal Code. Contractor acknowledges that any Agreement entered into, negotiated or performed in violation of any of the provisions of Chapter 2-156, including any contract entered into with any person who has retained or employed a non-registered lobbyist in violation of Section 2-156-305 of the Municipal Code is voidable as to the City.

6.12 MacBride Ordinance

The City of Chicago through the passage of the MacBride Principles Ordinance seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provide a better working environment for all citizens in Northern Ireland.

In accordance with Section 2-92-580 of the Municipal Code of the City of Chicago, if Contractor conducts any business operations in Northern Ireland, the Contractor must make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

The provisions of this Section 6.12 do not apply to contracts for which the City receives funds administered by the United States Department of Transportation, except to the extent Congress has directed that the Department of Transportation not withhold funds from states and localities that choose to implement selective purchasing policies based on agreement to comply with the MacBride Principles for Northern Ireland, or to the extent that such funds are not otherwise withheld by the Department of Transportation.

6.13 Duty to Report Corrupt or Unlawful Activity

Pursuant to §2-156-018 of the Municipal Code, it is the duty of the Contractor to report to the Inspector General, directly and without undue delay, any and all information concerning conduct which it knows to involve corrupt activity. "Corrupt Activity" means any conduct set forth in Subparagraph (a)(1), (2) or (3) of §1-23-020 of the Municipal Code. Knowing failure to make such a report will be an event of default under this Agreement. Reports may be made to the Inspector General's toll free hotline, 866-IG-TIPLINE (866-448-4754).

ARTICLE 7 EVENTS OF DEFAULT, REMEDIES, TERMINATION, RIGHT TO OFFSET, SUSPENSION

7.01 Events of Default Defined

The following constitute events of default:

A. Any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by Contractor to the City.

B. Contractor's material failure to perform any of its obligations under the Agreement including, but not limited to, the following:

(1) failure to commence or ensure timely completion of the Services due to a reason or circumstance within Contractor's reasonable control;

(2) failure to perform the Services in a manner satisfactory to the City;

(3) failure to promptly re-perform within a reasonable time Services that were rejected as erroneous or unsatisfactory;

(4) discontinuance of the Services for reasons within the Contractor's reasonable control;

(5) failure to comply with a material term of this Agreement, including but not limited to the provisions concerning insurance and nondiscrimination; and

(6) any other acts specifically and expressly stated in this Agreement as constituting an event of default.

C. The Contractor's default under any other agreement it may presently have or may enter into with the City during the life of this Agreement. The Contractor acknowledges and agrees that in the event of a default under this Agreement the City may also declare a default under any such other agreements.

7.02 Remedies

The occurrence of any event of default which the Contractor fails to cure within 14 calendar days after receipt of notice specifying such default or which, if such event of default cannot reasonably be cured within 14 calendar days after notice, the Contractor fails, in the sole opinion of the Commissioner, to commence and continue diligent efforts to cure, permits the City to declare the Contractor in default. Whether to declare the Contractor in default is within the sole discretion of the Commissioner. Written notification of the default, and any intention of the City to terminate the Agreement, shall be provided to Contractor and such decision is final and effective upon Contractor's receipt of such notice. Upon receipt of such notice, the Contractor must discontinue any services, unless otherwise directed in the notice, and deliver all materials accumulated in the performance of this Agreement, whether completed or in the process of completion, to the City. At such time the City may invoke any legal or equitable remedy available to it including, but not limited to, the following:

A. The right to take over and complete the Services or any part thereof as agent for and at the cost of the Contractor, either directly or through others. The Contractor shall have, in such event, the right to offset from such cost the amount it would have cost the City under the terms and conditions herein had the Contractor completed the Services.

B. The right to terminate this Agreement as to any or all of the Services yet to be performed, effective at a time specified by the City.

C. The right of specific performance, an injunction or any other appropriate equitable remedy.

D. The right to money damages.

E. The right to withhold all or any part of Contractor's compensation hereunder.

F. The right to deem Contractor non-responsible in future contracts to be awarded by the City.

If the City considers it to be in its best interest, it may elect not to declare default or to terminate this Agreement. The parties acknowledge that this provision is solely for the benefit of the City and that if the City permits the Contractor to continue to provide the Services despite one or more events of default, the Contractor is in no way relieved of any of its responsibilities, duties or obligations under this Agreement nor does the City waive or relinquish any of its rights. No delay or omission to exercise any right accruing upon any event of default impairs any such right nor shall it be construed as a waiver of any event of default or acquiescence therein, and every such right may be exercised from time to time and as often as may be deemed expedient.

7.03 Right to Offset

The City reserves its rights under § 2-92-380 of the Municipal Code of Chicago and the Commissioner shall consult with the SSAC before exercising such rights.

7.04 Suspension

The City may at any time request that the Contractor suspend its Services, or any part thereof, by giving 15 days prior written notice to the Contractor or upon no notice in the event of emergency. No costs incurred after the effective date of such suspension shall be allowed. The Contractor shall promptly resume its performance upon written notice by the Department. The Budget may be revised pursuant to Section 5.02 to account for any additional costs or expenses actually incurred by the Contractor as a result of recommencing the Services.

7.05 No Damages for Delay

The Contractor agrees that it, its members, if a partnership or joint venture and its Subcontractors shall make no claims against the City for damages, charges, additional costs or hourly fees for costs incurred by reason of delays or hindrances by the City in the performance of its obligations under this Agreement.

7.06 Early Termination

In addition to termination for default, the City may, at any time, elect to terminate this Agreement or any portion of the Services to be performed under it at the sole discretion of the Commissioner by a written notice to the Contractor. If the City elects to terminate the Agreement in full, all Services shall cease and all materials accumulated in performing this Agreement, whether completed or in the process of completion, shall be delivered to the Department within 10 days after receipt of the notice or by the date stated in the notice.

During the final ten days or other time period stated in the notice, the Contractor shall restrict its activities, and those of its Subcontractors, to winding down any reports, analyses, or other activities previously begun. No costs incurred after the effective date of the termination are allowed. Payment for any Services actually and satisfactorily performed before the effective date of the termination shall be on the same basis as set forth in Article 5 hereof, but if any compensation is described or provided for on the basis of a period longer than ten days, then the compensation shall be prorated accordingly.

If a court of competent jurisdiction determines that the City's election to terminate this Agreement for default has been wrongful, then such termination shall be deemed to be an early termination.

ARTICLE 8 GENERAL CONDITIONS

8.01 Entire Agreement

This Agreement, and the exhibits attached hereto and incorporated hereby, shall constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this Agreement that are not expressly addressed herein.

8.02 Counterparts

This Agreement is comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

8.03 Amendments

No changes, amendments, modifications or discharge of this Agreement, or any part thereof, shall be valid unless in writing and signed by the authorized agent of the Contractor and the Commissioner, or their successors and assigns. The City shall incur no liability for revised services without a written amendment to this Agreement pursuant to this Section.

8.04 Compliance with All Laws

The Contractor shall at all times observe and comply with all applicable laws, ordinances, rules, regulations and executive orders of the federal, state and local government, now existing or hereinafter in effect, which may in any manner affect the performance of this Agreement.

8.05 Compliance with ADA and Other Accessibility Laws

If this Agreement involves services to the public, the Contractor warrants that all Services provided hereunder shall comply with all accessibility standards for persons with disabilities or environmentally limited persons including, but not limited to the following: Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq. and the Rehabilitation Act of 1973, 29 U.S.C. §§ 793-94. In the event that the above cited standards are inconsistent, the Contractor shall comply with the standard providing greater accessibility.

If this Agreement involves design for construction and/or Construction, the Contractor warrants that all design documents produced and/or used under this Agreement shall comply with all federal, state and local laws and regulations regarding accessibility standards for persons with disabilities or environmentally limited persons including, but not limited to, the following: Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq. and the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities; the Architectural Barriers Act, P.L. 90-480 and the Uniform Federal Accessibility Standards; and the Environmental Barriers Act, 410 ILCS 25/1 et seq., and the regulations promulgated thereto at Ill. Admin. Code

tit. 71, ch. 1, § 400.110. In the event that the above cited standards are inconsistent, the Contractor shall comply with the standard providing greater accessibility. If the Contractor fails to comply with the foregoing standards, it shall perform again at no expense all services required to be reperformed as a direct or indirect result of such failure.

8.06 Assigns

All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, transferees and assigns.

8.07 Cooperation

The Contractor agrees at all times to cooperate fully with the City and to act in the City's best interests. Upon the termination or expiration of this Agreement, the Contractor shall make every effort to assure an orderly transition to another provider of the Services, if any, orderly demobilization of its operations in connection with the Services, uninterrupted provision of Services during any transition period and shall otherwise comply with reasonable requests of the Department in connection with this Agreement's termination or expiration.

8.08 Severability

If any provision of this Agreement is held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision hereof or of any constitution, statute, ordinance, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering such provision inoperative or unenforceable in any other case or circumstances, or of rendering any other provision herein invalid, inoperative, or unenforceable to any extent. The invalidity of any one or more phrases, sentences, clauses or sections herein shall not affect the remaining portions of this Agreement or any part thereof.

8.09 Interpretation

All headings in this Agreement are for convenience of reference only and do not define or limit the provisions thereof. Words of gender are deemed to include correlative words of the other gender. Words importing the singular number include the plural number and vice versa, unless the context otherwise indicates. All references to exhibits or documents are deemed to include all supplements and/or amendments to such exhibits or documents if entered into in accordance with the terms and conditions hereof and thereof. All references to persons or entities are deemed to include any persons or entities succeeding to the rights, duties, and obligations of such persons or entities in accordance with the terms and conditions herein.

8.10 Miscellaneous Provisions

Whenever under this Agreement the City by a proper authority waives the Contractor's

performance in any respect or waives a requirement or condition to the Contractor's performance, the waiver, whether express or implied, applies only to that particular instance and is not a waiver forever or for subsequent instances of the performance, requirement or condition. No waiver shall be construed as a modification of the Agreement regardless of the number of times the City may have waived the performance, requirement or condition.

8.11 Disputes

Except as otherwise provided in this Agreement, Contractor must and the City may bring any dispute arising under this Agreement which is not resolved by the parties to the Chief Procurement Officer for decision based upon the written submissions of the parties. (A copy of the "Regulations of the Department of Procurement Services for Resolution of Disputes between Contractors and the City of Chicago" is available in City Hall, 121 N. LaSalle Street, Room 301, Bid and Bond Room, Chicago, Illinois 60602.) The Chief Procurement Officer will issue a written decision and send it to the Contractor and the SSAC by mail. The decision of the Chief Procurement Officer is final and binding. The sole and exclusive remedy to challenge the decision of the Chief Procurement Officer is judicial review by means of a common law writ of certiorari.

8.12 Contractor Affidavit

The Contractor must provide to the City, no later than thirty days after the end of each year May 1st of each year, a fully executed and notarized Affidavit certifying the expenditures and Services provided for the prior year. The Contractor must also provide to the City, no later than June 1st of each year, a Full-Year Assessment. The forms of this Affidavit and Full-Year Assessment are attached as Exhibit 7 and incorporated by reference.

8.13 Prohibition on Certain Contributions

No Contractor or any person or entity who directly or indirectly has an ownership or beneficial interest in Contractor of more than 7.5% ("Owners"), spouses and domestic partners of such Owners, Contractor's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("Sub-owners") and spouses and domestic partners of such Sub-owners (Contractor and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee during (i) the bid or other solicitation process for this Contract or Other Contract, including while this Contract or Other Contract is executory, (ii) the term of this Contract or any Other Contract between City and Contractor, and/or (iii) any period in which an extension of this Contract or Other Contract with the City is being sought or negotiated.

Contractor represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City

approached the Contractor or the date the Contractor approached the City, as applicable, regarding the formulation of this Contract, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Contractor shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Contract, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Contract, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Contractor violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Contract resulting from this specification, the Commissioner may reject Contractor's bid.

For purposes of this provision:

"Other Contract" means any agreement entered into between the Contractor and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in MCC Ch. 2-156, as amended.

"Political fundraising committee" means a "political fundraising committee" as defined in MCC Ch. 2-156, as amended.

8.14 Firms Owned or Operated by Individuals with Disabilities

The City encourages Contractors to use Subcontractors that are firms owned or operated by individuals with disabilities, as defined by Section 2-92-586 of the Municipal Code of the City of Chicago, where not otherwise prohibited by federal or state law.

8.15 Governing Law and Jurisdiction

This Agreement is governed as to performance and interpretation in accordance with the laws of the State of Illinois.

ARTICLE 9 NOTICES

Notices provided for herein shall be in writing and may be delivered personally or by United States mail, first class, certified, return receipt requested, with postage prepaid and addressed as follows:

If to the City:	Special Service Area #49 Commission 9923 S. Halsted St., Suite D Chicago, Illinois 60628
	Department of Planning and Development City Hall, Room 1000 121 North LaSalle Street Chicago, Illinois 60602 Attention: Commissioner
With Copies to:	Department of Law Room 600, City Hall 121 North LaSalle Street Chicago, Illinois 60602 Attention: Corporation Counsel
If to Contractor:	Far South CDC 9923 S. Halsted St., Suite D Chicago, Illinois 60628 Attention: Mr. Abraham David Lacy

Changes in the above-referenced addresses must be in writing and delivered in accordance with the provisions of this Section. Notices delivered by mail shall be deemed received 3 days after mailing in accordance with this Section. Notices delivered personally shall be deemed effective upon receipt.

ARTICLE 10 CITY ACTION

In the event that there is no duly constituted SSAC during the term of this Agreement, the City will retain all of the rights and obligations afforded to the SSAC hereunder.

ARTICLE 11 MULTI-PROJECT LABOR AGREEMENT

The City has entered into the Multi-Project Labor Agreement (**"PLA"**) with various trades regarding projects as described in the PLA, a copy of which, without appendices, is attached hereto as Exhibit 9. A copy of the PLA, with appendices, may also be found on the City's website at http://www.cityofchicago.org/PLA. Contractor acknowledges familiarity with the requirements of the PLA and its applicability to any Services under this Agreement, and shall comply in all respects with any applicable provisions of the PLA.

IN WITNESS WHEREOF, the City and the Contractor have executed this Agreement on the date first set forth above, at Chicago, Illinois.

Recommended by:

_____
SSAC Chairperson

CITY OF CHICAGO

By: _____
Commissioner, Department of
Planning and Development
as of _____, 20__

CONTRACTOR
By:_____
Its: _____
Attested By:_____
Its: _____

State of
County of

This instrument was acknowledged before me on _____ (date) by (name/s of person/s) as _____ (type of authority, e.g., officer, trustee, etc.) of (name of party on behalf of whom instrument was executed).

_____
(Signature of Notary Public)

EXHIBIT 1

Scope of Services & Budget

2015 Budget and Services Summary

Chicago Department of Planning and Development

Name:	SSA#49/ South Shore Exchange	SSA Chairperson:	Sara Ware	Agency Contact:	Abraham Lacy
Service Provider Agency:	Far South CDC	Phone Number:	312-576-8466	Phone Number:	773-941-4653
SSA Tax Authority Term:	2010 - 2019	Email:	0	Email:	0
Date:					

2015 BUDGET SUMMARY	2014 Levy	+	Carry Over	+	Late Collections and Interest Income Thereon	=	2015 Budget
CATEGORY							
1.00 Customer Attraction	$ 8,000	+	$ -	+	$ -	=	$ 8,000
2.00 Public Way Aesthetics	$ 126,103	+	$ -	+	$ -	=	$ 126,103
3.00 Sustainability and Public Places	$ -	+	$ -	+	$ -	=	$ -
4.00 Economic/Business Development	$ 3,000	+	$ -	+	$ -	=	$ 3,000
5.00 Safety Programs	$ 172,626	+	$ -	+	$ -	=	$ 172,626
6.00 SSA Management	$ 18,361	+	$ -	+	$ -	=	$ 18,361
7.00 Personnel	$ 99,601	+	$ -	+	$ -		$ 99,601
8.00 Loss Collection: 0.0%	$ -	+	$ -	+	$ -	=	$ -
9.00 Late Collection	$ -		$ -		$ -		$ -
GRAND TOTAL	$ 427,691	+	$ -	+	$ -	=	$ 427,691

2015 Budget	$ 427,691

LEVY ANALYSIS		
1	Estimated 2014 EAV:	$43,823,125
2	Authorized Tax Rate Cap:	2.000%
3	Estimated 2014 Levy:	$427,691
4	Estimated Tax Rate to Generate 2014 Levy (EAV x Est. 2014 Levy = Est. Tax Rate).	0.976%

EXHIBIT 2

Economic Disclosure Statement and Affidavit

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 63581

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

Far South CDC

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

the Applicant

B. Business address of the Disclosing Party:

9923 S Halsted St, Suite D
Chicago, IL 60628
United States

C. Telephone:

773-930-6653

Fax:

773-941-5252

Email:

abraham.lacyfscdc34@gmail.com

D. Name of contact person:

Mr. Abraham David Lacy

E. Federal Employer Identification No. (if you have one):

36-2946248

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains:

TO ALLOW THE FAR SOUTH CDC TO ENTER INTO A SERVICE PROVIDER AGREEMENT WITH THE CITY OF CHICAGO IN ORDER TO PROVIDE SPECIAL SERVICES WITHIN SSA #49.

Which City agency or department is requesting this EDS?

DEPT OF PLANNING AND DEVELOPMENT

Specification Number

Contract (PO) Number

Revision Number

Release Number

User Department Project Number

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Not-for-profit corporation

Is the Disclosing Party also a 501(c)(3) organization?

Yes

Is the Disclosing Party incorporated or organized in the State of Illinois?

Yes

B. DISCLOSING PARTY IS A LEGAL ENTITY:

1 a.1 Does the Disclosing Party have any directors?

Yes

1.a.3 List below the full names and titles of all executive officers and all directors, if any, of the entity. Do not include any directors who have no power to select the entity's officers.

Officer/Director:	Mr. Abraham David Lacy
Title:	Executive Director
Role:	Both
Officer/Director:	Mr. Leon Walker
Title:	Chairman
Role:	Both
Officer/Director:	Mr. Leroy Chalmers
Title:	President
Role:	Both
Officer/Director:	Mr. Dennis O'Malley
Title:	Treasurer
Role:	Both
Officer/Director:	Mr. John Chenier
Title:	Secretary
Role:	Both
Officer/Director:	Mr. David Harvey
Title:	Director
Role:	Director
Officer/Director:	Ms. Jackie Johnson
Title:	Director
Role:	Director
Officer/Director:	Rev. Leonardo Gilbert
Title:	Director
Role:	Director

1.a.5 Are there any members of the non-for-profit Disclosing Party which are legal entities?

No

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

No

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

1. Has the Disclosing Party retained any legal entities in connection with the Matter?

Yes

2. List below the names of all legal entities which are retained parties.

Name:	AllPoints Security
Anticipated/ Retained:	Retained
Business Address:	2112 East 71st Street Chicago, IL 60649 United States
Relationship:	Subcontractor - MWDBE

Fees ($$ or %):	$172,626
Estimated/Paid:	Estimated

Name:	Cleanstreet
Anticipated/ Retained:	Retained
Business Address:	3501 W Fillmore Street Chicago, IL 60624 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	$14,000
Estimated/Paid:	Estimated

Name:	Bronzeville Green Landscaping
Anticipated/ Retained:	Anticipated
Business Address:	3757 S Wabash Street Chicago, IL 60653 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	$75,000
Estimated/Paid:	Estimated

Name:	Ragland & Associates, CPA
Anticipated/ Retained:	Retained
Business Address:	15525 S Park Ave South Holland, IL 60473 United States
Relationship:	Accountant
Fees ($$ or %):	$4,200
Estimated/Paid:	Estimated

Name:	Hall & Associates, CPA
Anticipated/ Retained:	Retained
Business Address:	21145 Ridgeland Manor Dr. Matteson, IL 60443 United States
Relationship:	Accountant

Fees ($$ or %):	$300
Estimated/Paid:	Estimated

Name:	Chatham Business Association
Anticipated/ Retained:	Anticipated
Business Address:	800 East 78th Street Chicago, IL 60619 United States
Relationship:	Other
Fees ($$ or %):	$3,000
Estimated/Paid:	Estimated

Name:	Folgers Flag & Decorating, Inc
Anticipated/ Retained:	Anticipated
Business Address:	2748 York Street Blue Island, IL 60406 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	$4,500
Estimated/Paid:	Estimated

Name:	Entire Marketing Group
Anticipated/ Retained:	Anticipated
Business Address:	6900 Cermak Rd Berwyn, IL 60402 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	$3,500
Estimated/Paid:	Estimated

3. Has the Disclosing Party retained any persons in connection with the Matter?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

Not applicable because no person directly or indirectly owns 10% or more of the Disclosing Party

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and
ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery, bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default, and
e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
d violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of 720 ILCS 5/33E-3;
- bid-rotating in violation of 720 ILCS 5/33E-4; or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

7. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is not a "financial institution"

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

No

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VI -- CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

Is the Matter federally funded? For the purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

No

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that.

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U S. General Services Administration.

I certify the above to be true

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

No

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

None

List of vendor attachments uploaded by City staff

None.

List of attachments uploaded by vendor

None.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

/s/ 12/19/2014
Mr. Abraham David Lacy
Executive Director

Far South CDC

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

CERTIFICATE OF FILING FOR

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 63581
Certificate Printed on: 12/19/2014

Date of This Filing:12/19/2014 02:50 PM
Original Filing Date:12/19/2014 02:50 PM

Disclosing Party: Far South CDC
Filed by: Mr. Abraham David Lacy

Title:Executive Director

Matter: TO ALLOW THE FAR SOUTH CDC TO ENTER INTO A SERVICE PROVIDER AGREEMENT WITH THE CITY OF CHICAGO IN ORDER TO PROVIDE SPECIAL SERVICES WITHIN SSA #49.
Applicant: Far South CDC
Specification #:
Contract #:

The Economic Disclosure Statement referenced above has been electronically filed with the City. Please provide a copy of this Certificate of Filing to your city contact with other required documents pertaining to the Matter. For additional guidance as to when to provide this Certificate and other required documents, please follow instructions provided to you about the Matter or consult with your City contact.

A copy of the EDS may be viewed and printed by visiting https://webapps1.cityofchicago.org/EDSWeb and entering the EDS number into the EDS Search. Prior to contract award, the filing is accessible online only to the disclosing party and the City, but is still subject to the Illinois Freedom of Information Act. The filing is visible online to the public after contract award.

EXHIBIT 3

CONTRACTOR INSURANCE PROVISIONS

INSURANCE REQUIREMENTS
Special Services Area

Contractor must provide and maintain at Contractor's own expense, during the term of the Agreement and time period following expiration if Contractor is required to return and perform any of the Services or Additional Services under this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

A. INSURANCE TO BE PROVIDED

1) Workers Compensation and Employers Liability

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

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work or Services.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with Services to be performed, Contractor must provide Automobile Liability Insurance with limits of not less than $500,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

4) Professional Liability

When any professional consultants (e.g.; CPA's, Attorney, Architects, Engineers) perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than $500,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

5) Crime

The Contractor is responsible for all persons handling funds under this Agreement, against loss by dishonesty, robbery, burglary, theft, destruction or disappearance, computer fraud, credit card forgery and other related crime risks.

B. SECURITY FIRMS

If the Contractor enters into a subcontract with a Security Firm, such Security Firm must be certified by State of Illinois, and the Security Firm's employees must be registered and certified by the State. Contractor must ensure and require any Security Firm subcontractor to comply with the Risk Management Division approved Security Firm Insurance Provision set forth in Exhibit 4 of this Agreement, attached hereto and incorporated by references as though fully set forth herein.

C. ADDITIONAL REQUIREMENTS

Contractor must furnish the City of Chicago, Department of Planning and Development (DPD), City Hall, Room 1006, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Contractor must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached as Exhibit-) or equivalent prior to execution of this Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Contractor is not a waiver by the City of any requirements for the Contractor to obtain and maintain the specified coverages. Contractor must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Contractor of the obligation to provide insurance as specified in this Agreement. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to suspend this Agreement until proper evidence of insurance is provided, or the Agreement may be terminated.

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

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Contractor.
Contractor hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents or representatives.

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

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

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

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

Contractor must require all Subcontractors to provide the insurance required in this Agreement, or Contractor may provide the coverages for Subcontractors. All Subcontractors are subject to the same insurance requirements of Contractor unless otherwise specified in this Agreement.

If Contractor or Subcontractor desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Contract to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

EXHIBIT 4

SECURITY FIRM INSURANCE PROVISIONS

CONTRACT INSURANCE REQUIREMENTS

The Security Firm must provide and maintain at Security Firm's own expense, until Contract completion and during the time period following expiration if Security Firm is required to return and perform any additional work, the insurance coverages and requirements specified below, insuring all operations related to the Contract.

A. INSURANCE TO BE PROVIDED

1) Workers Compensation and Employers Liability

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

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense, and contractual liability (not to include Endorsement CG 21 39 or equivalent but coverage must include Endorsement CG 22 74). The SSAC, City of Chicago and Contractor are to be named as an additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Security Firm must provide Automobile Liability Insurance with limits of not less than $ 1,000,000 per occurrence for bodily injury and property damage. The SSAC, City of Chicago and Contractor are to be named as an additional insureds on a primary, non-contributory basis.

4) Professional Liability

Professional Liability Insurance covering acts, errors, or omissions must be maintained by the Security Firm with limits of not less than $1,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

B. ADDITIONAL REQUIREMENTS

The Security Firm must furnish the Contractor and City of Chicago, Department of Planning and Development (DPD), City Hall, Room 1006, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Contract, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Contract. The receipt of any certificate does not constitute agreement by the Contractor that the insurance requirements in the Contract have been fully met or that the insurance policies indicated on the certificate are in compliance with all Contract requirements. The failure of the Contractor to obtain certificates or other insurance evidence from Security Firm is not a waiver by the Contractor of any requirements for the Security Firm to obtain and maintain the specified coverages. The Security Firm shall advise all insurers of the Contract provisions regarding insurance. Non-conforming insurance does not relieve Security Firm of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Contract, and the Contractor retains the right to stop work until proper evidence of insurance is provided, or the Contract may be terminated.

The Security Firm must provide for 60 days prior written notice to be given to the Contractor in the event coverage is substantially changed, canceled, or non-renewed.
Any deductibles or self insured retentions on referenced insurance coverages must be borne by Security Firm.

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

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

Any insurance or self insurance programs maintained by the Contractor do not contribute with insurance provided by the Security Firm under the Contract.

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

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

The Security Firm must require all subcontractors to provide the insurance required herein, or Security Firm may provide the coverages for subcontractors. All subcontractors are subject to the same insurance requirements of Security Firm unless otherwise specified in this Contract.

If Security Firm or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Contract to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

EXHIBIT 5

Prevailing Wages

Cook County Prevailing Wage for January 2015

(See explanation of column headings at bottom of wages)

Trade Name	RG	TYP	C	Base	FRMAN	M	F>8	OSA	OSH	H/W	Pensn	Vac	Trng
ASBESTOS ABT-GEN		ALL		38.200	38.700	1.5		1.5	2.0	13.78	10.12	0.000	0.500
ASBESTOS ABT-MEC		BLD		35.100	37.600	1.5		1.5	2.0	11.17	10.76	0.000	0.720
BOILERMAKER		BLD		44.240	48.220	2.0		2.0	2.0	6.970	17.54	0.000	0.350
BRICK MASON		BLD		42.580	46.840	1.5		1.5	2.0	9.850	13.60	0.000	1.030
CARPENTER		ALL		43.350	45.350	1.5		1.5	2.0	13.29	13.75	0.000	0.630
CEMENT MASON		ALL		43.100	45.100	2.0		1.5	2.0	12.70	13.24	0.000	0.450
CERAMIC TILE FNSHER		BLD		35.810	0.000	1.5		1.5	2.0	10.55	8.440	0.000	0.710
COMM. ELECT.		BLD		39.000	41.800	1.5		1.5	2.0	8.420	11.98	1.100	0.700
ELECTRIC PWR EQMT OP		ALL		46.100	51.100	1.5		1.5	2.0	10.76	14.87	0.000	0.460
ELECTRIC PWR GRNDMAN		ALL		35.960	51.100	1.5		1.5	2.0	8.390	11.60	0.000	0.360
ELECTRIC PWR LINEMAN		ALL		46.100	51.100	1.5		1.5	2.0	10.76	14.87	0.000	0.460
ELECTRICIAN		ALL		44.000	47.000	1.5		1.5	2.0	13.33	14.77	0.000	0.750
ELEVATOR CONSTRUCTOR		BLD		49.900	56.140	2.0		2.0	2.0	12.73	13.46	3.990	0.600
FENCE ERECTOR		ALL		35.840	37.840	1.5		1.5	2.0	13.01	11.51	0.000	0.300
GLAZIER		BLD		40.000	41.500	1.5		2.0	2.0	12.49	15.99	0.000	0.940
HT/FROST INSULATOR		BLD		48.450	50.950	1.5		1.5	2.0	11.47	12.16	0.000	0.720
IRON WORKER		ALL		43.000	45.000	2.0		2.0	2.0	13.45	20.65	0.000	0.350
LABORER		ALL		38.000	38.750	1.5		1.5	2.0	13.78	10.12	0.000	0.500
LATHER		ALL		43.350	45.350	1.5		1.5	2.0	13.29	13.75	0.000	0.630
MACHINIST		BLD		44.350	46.850	1.5		1.5	2.0	6.760	8.950	1.850	0.000
MARBLE FINISHERS		ALL		31.400	32.970	1.5		1.5	2.0	9.850	13.10	0.000	0.600
MARBLE MASON		BLD		41.780	45.960	1.5		1.5	2.0	9.850	13.42	0.000	0.760
MATERIAL TESTER I		ALL		28.000	0.000	1.5		1.5	2.0	13.78	10.12	0.000	0.500
MATERIALS TESTER II		ALL		33.000	0.000	1.5		1.5	2.0	13.78	10.12	0.000	0.500
MILLWRIGHT		ALL		43.350	45.350	1.5		1.5	2.0	13.29	13.75	0.000	0.630
OPERATING ENGINEER		BLD	1	47.100	51.100	2.0		2.0	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		BLD	2	45.800	51.100	2.0		2.0	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		BLD	3	43.250	51.100	2.0		2.0	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		BLD	4	41.500	51.100	2.0		2.0	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		BLD	5	50.850	51.100	2.0		2.0	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		BLD	6	48.100	51.100	2.0		2.0	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		BLD	7	50.100	51.100	2.0		2.0	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		FLT	1	52.450	52.450	1.5		1.5	2.0	16.60	11.05	1.900	1.250
OPERATING ENGINEER		FLT	2	50.950	52.450	1.5		1.5	2.0	16.60	11.05	1.900	1.250
OPERATING ENGINEER		FLT	3	45.350	52.450	1.5		1.5	2.0	16.60	11.05	1.900	1.250
OPERATING ENGINEER		FLT	4	37.700	52.450	1.5		1.5	2.0	16.60	11.05	1.900	1.250
OPERATING ENGINEER		FLT	5	53.950	52.450	1.5		1.5	2.0	16.60	11.05	1.900	1.250
OPERATING ENGINEER		FLT	6	35.000	35.000	1.5		1.5	2.0	16.60	11.05	1.900	1.250
OPERATING ENGINEER		HWY	1	45.300	49.300	1.5		1.5	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		HWY	2	44.750	49.300	1.5		1.5	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		HWY	3	42.700	49.300	1.5		1.5	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		HWY	4	41.300	49.300	1.5		1.5	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		HWY	5	40.100	49.300	1.5		1.5	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		HWY	6	48.300	49.300	1.5		1.5	2.0	17.10	11.80	1.900	1.250
OPERATING ENGINEER		HWY	7	46.300	49.300	1.5		1.5	2.0	17.10	11.80	1.900	1.250
ORNAMNTL IRON WORKER		ALL		43.900	46.400	2.0		2.0	2.0	13.36	17.24	0.000	0.650
PAINTER		ALL		40.750	45.500	1.5		1.5	1.5	10.75	11.10	0.000	0.770
PAINTER SIGNS		BLD		33.920	38.090	1.5		1.5	1.5	2.600	2.710	0.000	0.000
PILEDRIVER		ALL		43.350	45.350	1.5		1.5	2.0	13.29	13.75	0.000	0.630
PIPEFITTER		BLD		46.000	49.000	1.5		1.5	2.0	9.000	15.85	0.000	1.780
PLASTERER		BLD		42.250	44.790	1.5		1.5	2.0	11.40	12.19	0.000	0.650
PLUMBER		BLD		46.650	48.650	1.5		1.5	2.0	13.18	11.46	0.000	0.880
ROOFER		BLD		39.700	42.700	1.5		1.5	2.0	8.280	10.06	0.000	0.530
SHEETMETAL WORKER		BLD		41.530	44.850	1.5		1.5	2.0	10.48	20.06	0.000	0.690
SIGN HANGER		BLD		31.310	33.810	1.5		1.5	2.0	4.850	3.280	0.000	0.000
SPRINKLER FITTER		BLD		49.200	51.200	1.5		1.5	2.0	11.25	9.500	0.000	0.450
STEEL ERECTOR		ALL		42.070	44.070	2.0		2.0	2.0	13.45	19.59	0.000	0.350
STONE MASON		BLD		42.580	46.840	1.5		1.5	2.0	9.850	13.60	0.000	1.030
~~SURVEY WORKER~~-> NOT IN EFFECT					ALL		37.000	37.750	1.5		1.5	2.0	12.97	9.930	0.000	0.500

TERRAZZO FINISHER		BLD	37.040	0.000	1.5	1.5	2.0	10.55	10.32	0.000	0.620
TERRAZZO MASON		BLD	40.880	43.880	1.5	1.5	2.0	10.55	11.63	0.000	0.820
TILE MASON		BLD	43.840	46.840	1.5	1.5	2.0	10.55	10.42	0.000	0.920
TRAFFIC SAFETY WRKR		HWY	32.750	34.350	1.5	1.5	2.0	6.550	6.450	0.000	0.500
TRUCK DRIVER	E	ALL 1	33.850	34.500	1.5	1.5	2.0	8.150	8.500	0.000	0.150
TRUCK DRIVER	E	ALL 2	34.100	34.500	1.5	1.5	2.0	8.150	8.500	0.000	0.150
TRUCK DRIVER	E	ALL 3	34.300	34.500	1.5	1.5	2.0	8.150	8.500	0.000	0.150
TRUCK DRIVER	E	ALL 4	34.500	34.500	1.5	1.5	2.0	8.150	8.500	0.000	0.150
TRUCK DRIVER	W	ALL 1	32.550	33.100	1.5	1.5	2.0	6.500	4.350	0.000	0.000
TRUCK DRIVER	W	ALL 2	32.700	33.100	1.5	1.5	2.0	6.500	4.350	0.000	0.000
TRUCK DRIVER	W	ALL 3	32.900	33.100	1.5	1.5	2.0	6.500	4.350	0.000	0.000
TRUCK DRIVER	W	ALL 4	33.100	33.100	1.5	1.5	2.0	6.500	4.350	0.000	0.000
TUCKPOINTER		BLD	42.800	43.800	1.5	1.5	2.0	8.180	12.66	0.000	0.650

Legend: RC (Region)
JTF (Trade Type - All,Highway,Building,Floating,Oil & Chip,Rivers)
C (Class)
Base (Base Wage Rate)
FRMAN (Foreman Rate)
M-F>8 (OT required for any hour greater than 8 worked each day, Mon through Fri
OSA (Overtime (OT) is required for every hour worked on Saturday)
OSH (Overtime is required for every hour worked on Sunday and Holidays)
H/W (Health & Welfare Insurance)
Pensn (Pension)
Vac (Vacation)
Trng (Training)

Explanations

COOK COUNTY

The following list is considered as those days for which holiday rates of wages for work performed apply: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day and Veterans Day in some classifications/counties. Generally, any of these holidays which fall on a Sunday is celebrated on the following Monday. This then makes work performed on that Monday payable at the appropriate overtime rate for holiday pay. Common practice in a given local may alter certain days of celebration. If in doubt, please check with IDOL.

TRUCK DRIVERS (WEST) - That part of the county West of Barrington Road.

EXPLANATION OF CLASSES

ASBESTOS - GENERAL - removal of asbestos material/mold and hazardous materials from any place in a building, including mechanical systems where those mechanical systems are to be removed. This includes the removal of asbestos materials/mold and hazardous materials from ductwork or pipes in a building when the building is to be demolished at the time or at some close future date.
ASBESTOS - MECHANICAL - removal of asbestos material from mechanical systems, such as pipes, ducts, and boilers, where the mechanical systems are to remain.

CERAMIC TILE FINISHER

The grouting, cleaning, and polishing of all classes of tile, whether for interior or exterior purposes, all burned, glazed or unglazed products; all composition materials, granite tiles, warning detectable tiles, cement tiles, epoxy composite materials, pavers, glass, mosaics, fiberglass, and all substitute materials, for tile made in tile-like units; all mixtures in tile like form of cement, metals, and other materials that are for and intended for use as a finished floor surface, stair treads, promenade roofs, walks, walls, ceilings, swimming pools, and all other places where tile is to form a finished interior or exterior. The mixing of all setting mortars including but

not limited to thin-set mortars, epoxies, wall mud, and any other sand and cement mixtures or adhesives when used in the preparation, installation, repair, or maintenance of tile and/or similar materials. The handling and unloading of all sand, cement, lime, tile, fixtures, equipment, adhesives, or any other materials to be used in the preparation, installation, repair, or maintenance of tile and/or similar materials. Ceramic Tile Finishers shall fill all joints and voids regardless of method on all tile work, particularly and especially after installation of said tile work. Application of any and all protective coverings to all types of tile installations including, but not be limited to, all soap compounds, paper products, tapes, and all polyethylene coverings, plywood, masonite, cardboard, and any new type of products that may be used to protect tile installations, Blastrac equipment, and all floor scarifying equipment used in preparing floors to receive tile. The clean up and removal of all waste and materials. All demolition of existing tile floors and walls to be re-tiled.

COMMUNICATIONS ELECTRICIAN

Installation, operation, inspection, maintenance, repair and service of radio, television, recording, voice sound vision production and reproduction, telephone and telephone interconnect, facsimile, data apparatus, coaxial, fibre optic and wireless equipment, appliances and systems used for the transmission and reception of signals of any nature, business, domestic, commercial, education, entertainment, and residential purposes, including but not limited to, communication and telephone, electronic and sound equipment, fibre optic and data communication systems, and the performance of any task directly related to such installation or service whether at new or existing sites, such tasks to include the placing of wire and cable and electrical power conduit or other raceway work within the equipment room and pulling wire and/or cable through conduit and the installation of any incidental conduit, such that the employees covered hereby can complete any job in full.

MARBLE FINISHER

Loading and unloading trucks, distribution of all materials (all stone, sand, etc.), stocking of floors with material, performing all rigging for heavy work, the handling of all material that may be needed for the installation of such materials, building of scaffolding, polishing if needed, patching, waxing of material if damaged, pointing up, caulking, grouting and cleaning of marble, holding water on diamond or Carborundum blade or saw for setters cutting, use of tub saw or any other saw needed for preparation of material, drilling of holes for wires that anchor material set by setters, mixing up of molding plaster for installation of material, mixing up thin set for the installation of material, mixing up of sand to cement for the installation of material and such other work as may be required in helping a Marble Setter in the handling of all material in the erection or installation of interior marble, slate, travertine, art marble, serpentine, alberene stone, blue stone, granite and other stones (meaning as to stone any foreign or domestic materials as are specified and used in building interiors and exteriors and customarily known as stone in the trade), carrara, sanionyx, vitrolite and similar opaque glass and the laying of all marble tile, terrazzo tile, slate tile and precast tile, steps, risers treads, base, or any other materials that may be used as substitutes for any of the aforementioned materials and which are used on interior and exterior which are installed in a similar manner.

MATERIAL TESTER I: Hand coring and drilling for testing of materials; field inspection of uncured concrete and asphalt.

MATERIAL TESTER II: Field inspection of welds, structural steel, fireproofing, masonry, soil, facade, reinforcing steel, formwork,

cured concrete, and concrete and asphalt batch plants; adjusting proportions of bituminous mixtures.

OPERATING ENGINEER - BUILDING

Class 1. Asphalt Plant; Asphalt Spreader; Autograde; Backhoes with Caisson Attachment; Batch Plant; Benoto (requires Two Engineers); Boiler and Throttle Valve; Caisson Rigs; Central Redi-Mix Plant; Combination Back Hoe Front End-loader Machine; Compressor and Throttle Valve; Concrete Breaker (Truck Mounted); Concrete Conveyor; Concrete Conveyor (Truck Mounted); Concrete Paver Over 27E cu. ft; Concrete Paver 27E cu. ft. and Under; Concrete Placer; Concrete Placing Boom; Concrete Pump (Truck Mounted); Concrete Tower; Cranes, All; Cranes, Hammerhead; Cranes, (GCI and similar Type); Creter Crane; Spider Crane; Crusher, Stone, etc.; Derricks, All; Derricks, Traveling; Formless Curb and Gutter Machine; Grader, Elevating; Grouting Machines; Heavy Duty Self-Propelled Transporter or Prime Mover; Highlift Shovels or Front Endloader 2-1/4 yd. and over; Hoists, Elevators, outside type rack and pinion and similar machines; Hoists, One, Two and Three Drum; Hoists, Two Tugger One Floor; Hydraulic Backhoes; Hydraulic Boom Trucks; Hydro Vac (and similar equipment); Locomotives, All; Motor Patrol; Lubrication Technician; Manipulators; Pile Drivers and Skid Rig; Post Hole Digger; Pre-Stress Machine; Pump Cretes Dual Ram; Pump Cretes: Squeeze Cretes-Screw Type Pumps; Gypsum Bulker and Pump; Raised and Blind Hole Drill; Roto Mill Grinder; Scoops - Tractor Drawn; Slip-Form Paver; Straddle Buggies; Operation of Tie Back Machine; Tournapull; Tractor with Boom and Side Boom; Trenching Machines.

Class 2. Boilers; Broom, All Power Propelled; Bulldozers; Concrete Mixer (Two Bag and Over); Conveyor, Portable; Forklift Trucks; Highlift Shovels or Front Endloaders under 2-1/4 yd.; Hoists, Automatic; Hoists, Inside Elevators; Hoists, Sewer Dragging Machine; Hoists, Tugger Single Drum; Laser Screed; Rock Drill (Self-Propelled); Rock Drill (Truck Mounted); Rollers, All; Steam Generators; Tractors, All; Tractor Drawn Vibratory Roller; Winch Trucks with "A" Frame.

Class 3. Air Compressor; Combination Small Equipment Operator; Generators; Heaters, Mechanical; Hoists, Inside Elevators (remodeling or renovation work); Hydraulic Power Units (Pile Driving, Extracting, and Drilling); Pumps, over 3" (1 to 3 not to exceed a total of 300 ft.); Low Boys; Pumps, Well Points; Welding Machines (2 through 5); Winches, 4 Small Electric Drill Winches.

Class 4. Bobcats and/or other Skid Steer Loaders; Oilers; and Brick Forklift.

Class 5. Assistant Craft Foreman.

Class 6. Gradall.

Class 7. Mechanics; Welders.

OPERATING ENGINEERS - HIGHWAY CONSTRUCTION

Class 1. Asphalt Plant; Asphalt Heater and Planer Combination; Asphalt Heater Scarfire; Asphalt Spreader; Autograder/GOMACO or other similar type machines; ABG Paver; Backhoes with Caisson Attachment; Ballast Regulator; Belt Loader; Caisson Rigs; Car Dumper; Central Redi-Mix Plant; Combination Backhoe Front Endloader Machine, (1 cu. yd. Backhoe Bucket or over or with attachments); Concrete Breaker (Truck Mounted); Concrete Conveyor; Concrete Paver over 27E cu. ft.; Concrete Placer; Concrete Tube Float; Cranes, all attachments; Cranes, Tower Cranes of all types; Creter Crane; Spider Crane; Crusher, Stone, etc.; Derricks, All; Derrick Boats; Derricks, Traveling; Dredges;

Elevators, Outside type Rack & Pinion and Similar Machines; Formless Curb and Gutter Machine; Grader, Elevating; Grader, Motor Grader, Motor Patrol, Auto Patrol, Form Grader, Pull Grader, Subgrader; Guard Rail Post Driver Truck Mounted; Hoists, One, Two and Three Drum; Heavy Duty Self-Propelled Transporter or Prime Mover; Hydraulic Backhoes; Backhoes with shear attachments up to 40' of boom reach; Lubrication Technician; Manipulators; Mucking Machine; Pile Drivers and Skid Rig; Pre-Stress Machine; Pump Cretes Dual Ram; Rock Drill - Crawler or Skid Rig; Rock Drill - Truck Mounted; Rock/Track Tamper; Roto Mill Grinder; Slip Form Paver; Snow Melters; Soil Test Drill Rig (Truck Mounted); Straddle Buggies; Hydraulic Telescoping Form (Tunnel); Operation of Tieback Machine; Tractor Drawn Belt Loader; Tractor Drawn Belt Loader (with attached pusher - two engineers); Tractor with Boom; Tractaire with Attachments; Traffic Barrier Transfer Machine; Trenching; Truck Mounted Concrete Pump with Boom; Raised or Blind Hole Drills (Tunnel Shaft); Underground Boring and/or Mining Machines 5 ft. in diameter and over tunnel, etc; Underground Boring and/or Mining Machines under 5 ft. in diameter; Wheel Excavator; Widener (APSCO).

Class 2. Batch Plant; Bituminous Mixer; Boiler and Throttle Valve; Bulldozers; Car Loader Trailing Conveyors; Combination Backhoe Front Endloader Machine (Less than 1 cu. yd. Backhoe Bucket or over or with attachments); Compressor and Throttle Valve; Compressor, Common Receiver (3); Concrete Breaker or Hydro Hammer; Concrete Grinding Machine; Concrete Mixer or Paver 7S Series to and including 27 cu. ft.; Concrete Spreader; Concrete Curing Machine, Burlap Machine, Belting Machine and Sealing Machine; Concrete Wheel Saw; Conveyor Muck Cars (Haglund or Similar Type); Drills, All; Finishing Machine - Concrete; Highlift Shovels or Front Endloader; Hoist - Sewer Dragging Machine; Hydraulic Boom Trucks (All Attachments); Hydro-Blaster; Hydro Excavating (excluding hose work); Laser Screed; All Locomotives, Dinky; Off-Road Hauling Units (including articulating) Non Self-Loading Ejection Dump; Pump Cretes: Squeeze Cretes - Screw Type Pumps, Gypsum Bulker and Pump; Roller, Asphalt; Rotary Snow Plows; Rototiller, Seaman, etc., self-propelled; Self-Propelled Compactor; Spreader - Chip - Stone, etc.; Scraper - Single/Twin Engine/Push and Pull; Scraper - Prime Mover in Tandem (Regardless of Size); Tractors pulling attachments, Sheeps Foot, Disc, Compactor, etc.; Tug Boats.

Class 3. Boilers; Brooms, All Power Propelled; Cement Supply Tender; Compressor, Common Receiver (2); Concrete Mixer (Two Bag and Over); Conveyor, Portable; Farm-Type Tractors Used for Mowing, Seeding, etc.; Forklift Trucks; Grouting Machine; Hoists, Automatic; Hoists, All Elevators; Hoists, Tugger Single Drum; Jeep Diggers; Low Boys; Pipe Jacking Machines; Post-Hole Digger; Power Saw, Concrete Power Driven; Pug Mills; Rollers, other than Asphalt; Seed and Straw Blower; Steam Generators; Stump Machine; Winch Trucks with "A" Frame; Work Boats; Tamper-Form-Motor Driven.

Class 4. Air Compressor; Combination - Small Equipment Operator; Directional Boring Machine; Generators; Heaters, Mechanical; Hydraulic Power Unit (Pile Driving, Extracting, or Drilling); Light Plants, All (1 through 5); Pumps, over 3" (1 to 3 not to exceed a total of 300 ft.); Pumps, Well Points; Vacuum Trucks (excluding hose work); Welding Machines (2 through 5); Winches, 4 Small Electric Drill Winches.

Class 5. SkidSteer Loader (all); Brick Forklifts; Oilers.

Class 6. Field Mechanics and Field Welders

Class 7. Dowell Machine with Air Compressor; Gradall and machines of like nature.

OPERATING ENGINEER - FLOATING

Class 1. Craft Foreman; Master Mechanic; Diver/Wet Tender; Engineer; Engineer (Hydraulic Dredge).

Class 2. Crane/Backhoe Operator; Boat Operator with towing endorsement; Mechanic/Welder; Assistant Engineer (Hydraulic Dredge); Leverman (Hydraulic Dredge); Diver Tender.

Class 3. Deck Equipment Operator, Machineryman, Maintenance of Crane (over 50 ton capacity) or Backhoe (115,000 lbs. or more); Tug/Launch Operator; Loader/Dozer and like equipment on Barge, Breakwater Wall, Slip/Dock, or Scow, Deck Machinery, etc.

Class 4. Deck Equipment Operator, Machineryman/Fireman (4 Equipment Units or More); Off Road Trucks; Deck Hand, Tug Engineer, Crane Maintenance (50 Ton Capacity and Under) or Backhoe Weighing (115,000 pounds or less); Assistant Tug Operator.

Class 5. Friction or Lattice Boom Cranes.

SURVEY WORKER - Operated survey equipment including data collectors, G.P.S. and robotic instruments, as well as conventional levels and transits.

TERRAZZO FINISHER

The handling of sand, cement, marble chips, and all other materials that may be used by the Mosaic Terrazzo Mechanic, and the mixing, grinding, grouting, cleaning and sealing of all Marble, Mosaic, and Terrazzo work, floors, base, stairs, and wainscoting by hand or machine, and in addition, assisting and aiding Marble, Masonic, and Terrazzo Mechanics.

TRAFFIC SAFETY

Work associated with barricades, horses and drums used to reduce lane usage on highway work, the installation and removal of temporary lane markings, and the installation and removal of temporary road signs.

TRUCK DRIVER - BUILDING, HEAVY AND HIGHWAY CONSTRUCTION - EAST & WEST

Class 1. Two or three Axle Trucks. A-frame Truck when used for transportation purposes; Air Compressors and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry-alls; Fork Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors 2-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Power Mower Tractors; Self-propelled Chip Spreader; Skipman; Slurry Trucks, 2-man operation; Slurry Truck Conveyor Operation, 2 or 3 man; Teamsters; Unskilled Dumpman; and Truck Drivers hauling warning lights, barricades, and portable toilets on the job site.

Class 2. Four axle trucks; Dump Crets and Adgetors under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-mix Plant Hopper Operator, and Winch Trucks, 2 Axles.

Class 3. Five axle trucks; Dump Crets and Adgetors 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnatrailers or turnapulls when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit, Oil Distributors, 1-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry trucks, 1-man operation, Winch trucks, 3 axles or more; Mechanic--Truck Welder and Truck Painter.

Class 4. Six axle trucks; Dual-purpose vehicles, such as mounted

crane trucks with hoist and accessories; Foreman; Master Mechanic, Self-loading equipment like P.B. and trucks with scoops on the front.

Other Classifications of Work:

For definitions of classifications not otherwise set out, the Department generally has on file such definitions which are available. If a task to be performed is not subject to one of the classifications of pay set out, the Department will upon being contacted state which neighboring county has such a classification and provide such rate, such rate being deemed to exist by reference in this document. If no neighboring county rate applies to the task, the Department shall undertake a special determination, such special determination being then deemed to have existed under this determination. If a project requires these, or any classification not listed, please contact IDOL at 217-782-1710 for wage rates or clarifications.

LANDSCAPING

Landscaping work falls under the existing classifications for laborer, operating engineer and truck driver. The work performed by landscape plantsman and landscape laborer is covered by the existing classification of laborer. The work performed by landscape operators (regardless of equipment used or its size) is covered by the classifications of operating engineer. The work performed by landscape truck drivers (regardless of size of truck driven) is covered by the classifications of truck driver.

MATERIAL TESTER & MATERIAL TESTER/INSPECTOR I AND II

Notwithstanding the difference in the classification title, the classification entitled "Material Tester I" involves the same job duties as the classification entitled "Material Tester/Inspector I". Likewise, the classification entitled "Material Tester II" involves the same job duties as the classification entitled "Material Tester/Inspector II".

EXHIBIT 6

Performance Bond Form

CONTRACTOR'S PERFORMANCE & PAYMENT BOND

Know All Men by these Presents, That we,

Principal, hereinafter referred to as Contractor, and

, Surety

of the County of Cook and State of Illinois, are held and firmly bound unto the CITY OF CHICAGO in the penal sum of

lawful money of the United States, for the payment of which sum of money, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this day of A.D., 20

The Condition of the Above Obligation is such,

That whereas the above bounden Contractor has entered into a certain contract with the CITY OF CHICAGO, bearing Contract No. _____ and Specification No. _____ all in conformity with said contract, for,

SPECIMEN

The said contract is incorporated herein by reference in its entirety, including without limitation, any and all indemnification provisions.

Now, if the said Contractor shall in all respects well and truly keep and perform the said contract on its part, in accordance with the terms and provisions of all of the Contract Documents comprising said contract, and in the time and manner therein prescribed, and further shall save, indemnify, and keep harmless the City of Chicago against all loss, damages, claims, liabilities, judgements, costs and expenses which may in anywise accrue against said City of Chicago, in consequence of the granting of said contract, or which may in anywise result therefrom, or which may result from strict liability, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from or in connection with, work performed or to be performed under said contract by said Contractor, its Agents, Employees or Workmen, assignees, subcontractors, or anyone else, in any respect whatever, or which may result on account of any infringement of any patent by reason of the materials, machinery, devices or apparatus used in the performance of said contract, and moreover, shall pay to said City any sum or sums of money determined by the Purchasing Agent, and/or by a court of competent jurisdiction, to be due said City by reason of any failure or neglect in the performance of the requirements of said contract, wherefore the said Purchasing Agent shall have elected to suspend or cancel the same, and shall pay all claims and demands whatsoever, which may accrue to each and every materialman and subcontractor, and to each and every person who shall be employed by the said Contractor or by its assignees and subcontractors, in or about the performance of said contract, and with wages paid at prevailing wage rates if so required by said contract, and shall insure its liability to pay the compensation, and shall pay all claims and demands for compensation which may accrue to each and every person who shall be employed by them or any of them in or about the performance of said contract, or which shall accrue to the beneficiaries or dependents of any such person, under the provisions of the Workers' Compensation Act, 820 ILCS 305, as amended, and the Workers' Occupational Disease Act, 820 ILCS 310, as amended (hereinafter referred to as "Acts") then is this obligation to be null and void, otherwise to remain in full force and effect.

And it is hereby expressly understood and agreed, and made a condition hereof, that any judgement rendered against said City in any suit based upon any loss, damages, claims, liabilities, judgements, costs or expenses which may in anywise accrue against said City as a consequence of the granting of said contract, or which may in anywise result therefrom, or which may in anywise result from any injuries to, or death of, any person, or damage to any real or personal property, arising directly or indirectly from, or in connection with, work performed, or to be performed under said contract by said Contractor or its agents, employees or workmen, assignees, subcontractors, or anyone else and also any decision of the Industrial Commission of the State of Illinois, and any order of court based upon such decision, or judgement thereon, rendered against said City of Chicago in any suit or claim arising under the aforementioned Acts when notice of the pendency or arbitration proceedings or suit shall have been given said Contractor, shall be conclusive against each and all parties to this obligation, as to amount, liability and all other things pertaining thereto

Every person furnishing material or performing labor in the performance of said contract, either as an individual, as a subcontractor, or otherwise, shall have the right to sue on this bond in the name of the City of Chicago for his use and benefit and in such suit said person as plaintiff, shall file a copy of this bond, certified by the party or parties in whose charge this bond shall be, which copy shall be, unless execution thereof be denied under oath, prima facie evidence of the execution and delivery of the original; provided, that nothing in this bond contained shall be taken to make the City of Chicago liable to any subcontractor, materialman, laborer or to any other person to any greater extent than it would have been liable prior to the enactment of the Public Construction Bond Act, 30 ILCS 550, as amended; provided further, that any person having a claim for labor and materials furnished in the performance of this contract shall have no right of action unless he shall have filed a verified notice of such claim with the Clerk of the City of Chicago within 180 days after the date of the last item of work or the furnishing of the last item of materials, and shall have furnished a copy of such verified notice to the contractor within 10 days of the filing of the notice with the City of Chicago. Such claim shall be verified and shall contain the name and address of the claimant, the business address of the claimant within the State of Illinois, if any, or if the claimant be a foreign corporation having no place of business with the State the principal place of business of said corporation, and in all cases of partnership the names and residences of each of the partners, the name of the contractor for the City of Chicago, the name of the person, firm or corporation by whom the claimant was employed or to whom such claimant furnished materials, the amount of the claim and a brief description of the public improvement for the construction or installation of which the contract is to be performed. Provided, further, that no defect in the notice herein provided for shall deprive the claimant of his right of action under the terms and provisions of this bond unless it shall affirmatively appear that such defect has prejudiced the rights of an interested party asserting the same; provided, further, that no action shall be brought until the expiration of one hundred twenty (120) days after the date of the last item of work or of the furnishing of the last item of material, except in cases where the final settlement between the City of Chicago and the Contractor shall have been made prior to the expiration of the 120 day period in which case action may be taken immediately following such final settlement, and provided, further, that no action of any kind shall be brought later than six (6) months after the acceptance by the City of Chicago of the completion of work. Any suit upon this bond shall be brought only in a circuit court of the State of Illinois in the judicial district in which the contract shall have been performed.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of any of the Contract Documents comprising said contract, or to the work to be performed thereunder, shall in anywise affect the obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said Contract Documents or to the work.

_____ **(Seal)**

Approved_____, 20____

_____ **(Seal)**

_____ _____ **(Seal)**

Purchasing Agent

_____ **(Seal)**

Approved as to form and legality: _____ **(Seal)**

_____ _____ **(Seal)**

Assistant Corporation Counsel

PRINCIPAL IF CORPORATION

STATE OF ILLINOIS, } ss.
COUNTY OF COOK, }

I,_____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that_____ President and _____ Secretary of the_____ who are personally known to me to be the same persons whose names are subscribed in the foregoing instrument as such _____ President and_____ Secretary, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument of writing as their free and voluntary act, and as the free and voluntary act of the said_____ for the uses and purposes therein set forth, and caused the corporate seal of said Company to be thereto attached

GIVEN under my hand and Notarial Seal this_____ day of _____20____

_____
Notary Public

SURETY, IF CORPORATE

STATE OF ILLINOIS, } ss.
COUNTY OF COOK, }

I,_____, a Notary Public in and for the County and State aforesaid. DO HEREBY CERTIFY that_____ _____ of the_____who_____ personally known to be the same person _____ whose name_____ subscribed in the foregoing instrument as such_____ _____, appeared before me this day in person and acknowledged that_____ signed, sealed and delivered the said instrument of writing as_____free and voluntary act, and as the free and voluntary act of the said_____ for the uses and purposes therein set forth, and caused the corporate seal of said Company to be thereto attached.

GIVEN under my hand and Notarial Seal this_____ day of _____20____

_____
Notary Public

PRINCIPAL IF INDIVIDUAL

STATE OF ILLINOIS, } ss.
COUNTY OF COOK, }

I,_____, a Notary Public in and for the County and State aforesaid. DO HEREBY CERTIFY that_____ who_____personally known to me to be the same persons whose name _____subscribed in the foregoing instrument, appeared before me this day in person and acknowledged that _____ he_____ signed, sealed and delivered the said instrument of writing as_____ free and voluntary act, for the uses and purposes therein set forth

GIVEN under my hand and Notarial Seal this_____ day of _____20____

_____
Notary Public

RIDER TO CONTRACTOR'S PERFORMANCE AND PAYMENT BOND

This Rider supplements Contractor's Performance and Payment Bond ("Bond") on that certain contract with the City of Chicago ("City") bearing Contract No._____ and Specification No._____ ("Contract"). Surety acknowledges that the Contract requires Contractor to obtain from each of its subcontractors consent to a collateral assignment of their contracts with Contractor to the City. The Contract further grants the City the right, upon Contractor's default for failure to comply with Chapter 4-36 of the Municipal Code of the City, and at the City's sole option, to take over and complete the work to be performed by Contractor through the City's assumption of some or all of Contractor's subcontracts. If the City, in its sole discretion, exercises this right, then Surety waives any rights it may have to cure Contractor's default by performing the work itself or through others and remains bound by its other obligations under the Bond.

EXHIBIT 7

Contractor Affidavit

Contractor Name:
Special Service Area Number:
Agreement ("Agreement"):

Agreement between the City of Chicago and _____ _____ dated _____, relating to the provision of special services.

AFFIDAVIT

The undersigned, _____, as_____ _____ _____, and on behalf of_____, having been duly sworn under oath, certifies that in the year_____ _____, it performed that portion of the Services described in Exhibit 1 of the Agreement in accordance with the terms of the Agreement, to the extent described in the attached Full-Year Assessment Form and that it spent that portion of funds obtained from the City in connection with that Agreement on the Services described in Exhibit 1, to the extent described in the attached Full-Year Assessment Form . The Full-Year Assessment Form shall be in the form prescribed by the City and shall contain such level of detail as the City may require from time to time.

Nothing in this Affidavit may be construed as limiting Contractor's obligations under the Agreement. All terms not defined in this Affidavit will be as defined in the Agreement.

Under penalty of perjury, I certify that I am authorized to execute this Affidavit on behalf of the Contractor, that I have personal knowledge of the certifications made in this Affidavit, and that they are true and correct.

NAME OF CONTRACTOR:

_____

Signature of Authorized Officer

_____

Name of Authorized Officer (Print or Type)

_____

State of_____
County of _____

Sworn to and acknowledged before me by _____ [name of signatory] as _____ [title] of _____ [name of contracting party] this _____ day of _____, 20 _____.

_____
Signature of Notary

INSERT FULL-YEAR ASSESSMENT FORM

EXHIBIT 8

Special Service Area - Additional Audit Requirements

Accounting System

The Department requires that the Contractor maintain its accounting system in a manner which allows the Contractor's expenditures to be categorized in its statement of activities according to the categories listed in the budget approved by the City for each Area.

Guidance for the Contractor's Selection of a CPA Firm (Independent Auditor)

The Contractor must use the following guidelines for engaging a qualified CPA Firm:

1. Issue a Request for Proposal ("RFP") that sets forth all of the terms and conditions of the engagement, evaluation criteria, and scope of the work required. Audit firm evaluations can replace an annual RFP process; an RFP process every three years is preferred.
2. Distribute and publicize the RFP sufficiently to ensure full and open competition.
3. Request in the RFP that bidders provide detail on:
   a. How the CPA Firm will conduct the audit.
   b. Qualifications of the CPA Firm, management, and staff, including experience in auditing like entities.
   c. Policies on notification of changes in key personnel.
   d. Whether the proposed staff has received continuing professional education that is relevant to the performance of this engagement during the previous 2 years,
   e. Whether the CPA Firm has received a positive peer review within the last 3 years.
   f. Whether the CPA Firm is independent, as defined by applicable auditing standards.
   g. Whether the CPA Firm has been the object of any disciplinary action during the past 3 years.
   h. Confirmation the CPA Firm and key personnel assigned to this engagement maintains an active license in the State of Illinois and attached a copy of a current license with the RFP response or annually.
   i. Confirmation the CPA Firm is not on the City's debarred vendor list.
   j. The audit fee.

4. Evaluate the proposals based on:
   a. The CPA Firm's understanding of the audit requirements, including the needs of the Area and the final products to be delivered.
   b. Soundness of technical approach to the audit, including the meeting of the Contractor's specific deadlines and other requirements.
   c. Qualifications of the CPA Firm.
   d. Qualifications of the audit team.
   e. The information provided by respondents in response to the RFP, including cost

and independence.

5. Rate the proposals as follows:
   a. Proposals should be evaluated as submitted.
   b. Make a list of strengths and weaknesses for each to support its technical rating.
   c. Review the proposed fees offered by the bidders after completion of the technical evaluation.
   d. Ask questions of the bidders to eliminate any ambiguities.
   e. Select a proposal that is most advantageous to the Area based on the evaluation criteria set forth in the RFP.

6. Once a CPA Firm is chosen based upon the foregoing criteria, require a written engagement letter to avoid misunderstandings that specifies:
   a. Audit scope, objectives, and purposes.
   b. Deadlines for the work to be performed.
   c. Audit fees.
   d. Report format, including providing a PDF digital version of the final audit.
   e. Type and timing of support to be provided to the CPA Firm by the Special Service Area Commission ("SSAC").
   f. Professional auditing standards to be followed in performing the audit.
   g. Independence of the CPA Firm to the SSAC.
   h. Terms of making changes to the scope of the agreement.
   i. CPA Firm's ownership of the work papers, retention period, and requirement for availability to the City upon request.

Summary Schedule of Findings.

In order to properly conduct the certified audit of the books and records of the Contractor, it is necessary for the CPA Firm to read and understand the requirements contained in the Agreement. Particular attention should be given to Sections 3 and 5 of the Agreement.

The CPA Firm must test the Contractor's compliance with the requirements contained in the Agreement. Should the CPA Firm find exception to the requirements of the Agreement, it must disclose all exceptions in a separate schedule, which shall be entitled "Summary Schedule of Findings". Each finding shall be listed separately. The schedule shall be incorporated with the other required financial statements.

If the CPA Firm finds no exceptions to the Agreement requirements, it shall still include a "Summary Schedule of Findings". On that schedule the CPA Firm shall make an affirmative statement indicating it has read the Agreement and, after conducting the audit, has determined that no exceptions were noted.

Subsections to note in Section 5 include:

a. *Section 5.01, Basis of Payment*, describes "carry over" as the amount of Service

Tax Funds collected for prior tax years which remain previously unspent.

b. *Section 5.02. Budget for Services*. restricts the maximum amount that may be spent in a calendar year to the amount stated in the Agreement.

c. *Section 5.03, Method of Payment*. states that the Contractor shall establish a separate checking account and that Area funds shall not be commingled with other sources.

Audit of Financial Statements

As discussed in Section 3.07, "Records and Audits", the Contractor shall provide an annual audited financial statement to the Department and SSAC within 120 calendar days after the end of the calendar year and the system of accounting shall be in accordance with generally accepted accounting principles and practices, consistently applied throughout.

Audit Documents

The City requires an audit conducted in accordance with generally accepted accounting principles to include the following documents:

1. Statement of Financial Position.
2. Statement of Activities: Budget and Actual (period being audited compared to the previous year, e.g. columns should be 2015 Budget, 2015 Actual, Variance, 2014 Budget, 2014 Actual, Variance).
3. Statement of Cash Flows.
4. Notes to the Financial Statements.
5. Summary Schedule of Findings that also includes the management response to any audit findings and any subsequent CPA Firm and/or City's and/or management responses until the CPA Firm and/or the City consider the findings sufficiently remedied.

Expense descriptions included in the Statement of Activities must correspond to the expense descriptions in the budget submitted to the City.

CPA Firm License

The CPA Firm shall attach as an exhibit to the audit the firm's active license and key personnel to this engagement in the State of Illinois.

Audit Presentations

The CPA Firm shall attend at least one (1) SSAC meeting and be available for other meetings as requested by the City to present the draft and/or final audit and respond to questions.

Debarment

Upon issuance of the final audit. the CPA Firm shall confirm it is not on the City's debarred vendor list.

EXHIBIT 9

PLA

CITY OF CHICAGO

MULTI- PROJECT LABOR AGREEMENT

This Model Multi-Project Labor Agreement ("Agreement") is entered into by and between City of Chicago, an Illinois municipal corporation, as Owner, on behalf of itself and each of its contractors, subcontractors of whatsoever tier performing construction work on any project to which this Agreement shall be applicable, and each of the undersigned labor organizations signatory hereto.

Whereas, Owner is responsible for construction, demolition, rehabilitation, maintenance, and/or renovation of real property located in Chicago, Illinois; Due to the size, scope, cost and duration of the multitude of Projects traditionally performed by the City of Chicago, the parties to this Agreement have determined that it is in their interest to have these Projects completed in the most timely, productive, economical and orderly manner possible, and without labor disruptions of any kind that might interfere with, or delay, any of these Projects;

Whereas, the parties have determined that it is desirable to eliminate the potential for friction and disruption of these Projects by using their best efforts and ensuring that all work is performed by the trade unions that are signatory hereto and which have traditionally performed and have trade and geographic jurisdiction over such work. Experience has proven the value of such cooperation, and that such mutual undertakings should be maintained, and if possible, strengthened, and that the ultimate beneficiaries remain the Owner of the project; and,

Whereas, the Owner acknowledges that it has a serious and ongoing concern regarding labor relations associated with the Projects and through its completion irrespective of the existence of a collective bargaining relationship with any of the signatory labor organizations.

NOW THEREFORE, in order to further these goals and objectives and to maintain the spirit of harmony, labor-management cooperation and stability, the parties agree as follows:

1. During the term of this Agreement, Owner its representatives and agents shall not contract or subcontract, nor permit any other person, firm, company, or entity to contract or subcontract, any construction, demolition, rehabilitation or renovation work for the Project work covered under this Agreement or within the trade jurisdiction of the signatory labor organization, to be performed at the Site of construction or off-site solely for installation at the Site (including all tenant improvements, if applicable), unless such work is performed only by a person, firm or company signatory, or willing to become signatory, to the applicable area-wide collective bargaining agreement(s) with the union(s) or the appropriate trade/craft union(s) or subordinate body or affiliate of the Chicago & Cook County Building & Construction Trades Council ("Council") or the Teamsters' Joint Council No. 25. Copies of all such current collective bargaining agreements constitute Appendix "A" of this Agreement, attached hereto and made an integral part hereof, and as may be modified from time to time during the term of this Agreement. Said provisions of this Agreement shall be included in all Requests for Bids and/or Proposals and shall be explicitly included in all contracts or subcontracts of whatsoever tier by all contractors and subcontractors; provided that the total Project value exceeds $25,000.00. In no event shall contracts be "split" so as to avoid the applicability of this Agreement. In the event a dispute arises with respect to the applicability of this Multi-Project Labor Agreement to a particular project, the parties agree to submit said dispute to final and binding arbitration before a Permanent Umpire who shall be mutually agreed to by the parties.

2. With respect to a contractor or subcontractor who is the successful bidder, but is not signatory to the applicable collective bargaining agreement, the collective bargaining agreement(s) executed by said bidder shall be the relevant area-wide agreement(s) regulating or governing wages, hours and other terms and conditions of employment.

3. During the term of this Agreement, the Owner or any Project contractor and sub-contractor shall engage in no lockout.

4. During the term of this Agreement, no labor organization signatory hereto, or any of its members, officers, stewards, agents, representatives, or employees shall instigate, authorize, support, sanction, maintain, or participate in any strike, walkout, work stoppage, work slowdown, work curtailment, cessation or interruption of production, or in any picketing of any Site covered under this Agreement for any reason whatsoever, including but not limited to the expiration of any of the collective bargaining agreements referred to on Appendix A. In the event of an economic strike or other job action upon the termination of an existing collective bargaining agreement, in no event shall any adverse job action be directed against any covered Project. All provisions of the subsequently negotiated collective bargaining agreement shall be retroactive for all employees working at a Project Site, provided such a provision for retroactivity is contained in the newly negotiated collective bargaining agreement.

5. Each Union signatory hereto agrees that it will use its best efforts to prevent any of the acts forbidden in Paragraph 4, and that in the event any such act takes place or is engaged in by any employee or group of employees, each Union signatory hereto further agrees that it will use its best efforts (including its full disciplinary power under its Constitution and/or By-Laws) to cause an immediate cessation thereof.

6. Any contractor of subcontractor signatory or otherwise bound stipulated or required to abide by and to any provisions of this Agreement shall have the right to discharge or discipline any employee who violates the provisions of this Agreement. Such discharge or discipline by a contractor or subcontractor shall be subject to the Grievance/Arbitration procedure of the applicable collective bargaining agreement only as to the fact of such employee's violation of this Agreement. If such fact is established, the penalty imposed shall not be disturbed. Work at any Site covered under this Agreement shall continue without disruption or hindrance of any kind during any Grievance/ Arbitration procedure.

7. The parties expressly authorize a court of competent jurisdiction to order appropriate injunctive relief to restrain any violation of this Agreement, any form of self-help remedy is expressly forbidden. Nothing in the foregoing shall restrict any party to otherwise judicially enforce any provision of its collective bargaining agreement between any labor organization and a contractor with whom it has a collective bargaining relationship.

8. This Agreement shall become effective, and shall be included in all Requests for Proposals and/or Bids, all Purchase Orders, Contracts or other arrangements issued by the City of Chicago for work described in Paragraph 1 above immediately subsequent to the ratification of the Ordinance authorizing this Multi-Project Labor Agreement by the City Council.

9. This Agreement shall expire on December 31, 2016 and shall be automatically extended for an additional five (5) year term unless the parties issue a notice to terminate between sixty (60) and (30) days prior to the initial expiration date.

10. In the event a dispute shall arise between any contractor or subcontractor of the Project and any signatory labor organization and/or fringe benefit fund established under any of the appropriate collective bargaining agreements as to the obligation and/or payment of fringe benefit contributions provided under the collective bargaining agreement, upon proper notice to the contractor(s) or subcontractor(s) by the applicable labor organization or fringe benefit fund and to the contractor or subcontractor, an amount sufficient to satisfy the amount claimed shall be withheld from the contractor's or subcontractor's regularly scheduled periodic payment from the contractor or subcontractor, or their agents until such time as said claim is resolved.

11. In the event of a jurisdictional dispute by and between any labor organizations signatory hereto, such labor organizations shall take all steps necessary to promptly resolve the dispute. In the event of a dispute relating to trade or work jurisdiction, all parties, including the employers, contractors or subcontractors, agree that a final and binding resolution of the dispute shall be resolved as follows:

a.) Representatives of the affected trades shall meet on the job site within forty-eight (48) hours after receiving notice in an effort to resolve the dispute. (In the event there is a dispute between local unions affiliated with the same International Union, the decision of the General President, or his/her designee, as the internal jurisdictional authority of that International Union, shall consfitute a find and binding decision and determination as to the jurisdiction of work.)

b.) If no settlement is achieved subsequent to the preceding Paragraph, the matter shall be referred to the Chicago & Cook County Building & Construction Trades Council, which shall meet with the affected trades within forty-eight (48) hours subsequent to receiving notice. An agreement reached at this Step shall be final and binding.

c.) If no settlement agreements is reached during the proceedings contemplated by Paragraph "a" or "b" above, the matter shall be immediately referred to the Joint Conference Board, established by the Standard Agreement between the Construction Employers' Association and the Chicago & Cook County Building & Construction Trades Council, which may be amended from time to time, for final and binding resolution of said dispute. Said Standard Agreement is attached hereto as Appendix "B" and specifically incorporated into this Agreement.

12. This Agreement shall be incorporated into and become part of the collective bargaining agreements between the Unions signatory hereto and contractors and subcontractors. In the event of any inconsistency between this Agreement and any collective bargaining agreement, the terms of this Agreement shall supersede and prevail except for all work performed under the NT Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, all instrument calibrafion work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for instrument and Control Systems Technicians, and the National Agreement of the International Union of Elevator Constructors with the exception of the content and subject matter of Articles V, VI and VII of the AFL-CIO's Building & Construction Trades Department model Project Labor Agreement.

13. The parties agree that in the implementation and administration of this Agreement, it is vitally necessary to maintain effective and immediate communication so as to minimize the potential of labor relations disputes arising out of this Agreement. To that end, each party hereto agrees to designate, in writing, a representative to whom problems can be

directed which may arise during the term of this Agreement. Within forty-eight (48) hours after notice of the existence of any problem, representatives of each party shall meet to discuss and, where possible, resolve such problems. The representative of the signatory unions shall be Thomas Villanova, or his designee, President of the Chicago & Cook County Building & Construction Trades Council. The representative of Owner shall be the Corporation Counsel or his/her designee.

14. If any provision, section, subsection or other portion of this Agreement shall be determined by any court of competent jurisdiction to be invalid, illegal, or unenforceable in whole or in part, and such determination shall become final, such provision or portion shall be deemed to be severed or limited, but only to the extent required to render the remaining provisions and portions of this Agreement enforceable. This Agreement, as thus amended, shall be enforced so as to give effect to the intention of the parties insofar as that is possible. In addition, the parties hereby expressly empower a court of competent jurisdiction to modify any term or provision of this Agreement to the extent necessary to comply with existing law and to enforce this Agreement as modified.

15. Owner and General Contractor, on behalf of themselves and their contractors and subcontractors agree that the applicable substance abuse policy (i.e., drug, alcohol, etc.) applicable to the employees working on any covered Project shall be that as contained, or otherwise provided for, in the area-wide collective bargaining agreements attached at Appendix "A" to this Agreement. Nothing in the foregoing shall limit the Owners and/or General Contractor, its contractors or subcontractors from instituting its own substance abuse policy governing other employees performing work on a Project not otherwise covered under this Agreement. In the event there is no substance abuse policy in the applicable collective bargaining agreement, the policy adopted by the Owners and/or General Contractor may apply.

16. The parties recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The parties agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter referred to as the "Center") and the Center's Helmets to Hardhats" program to service as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties. The parties also agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on this project and of apprenticeship and employment opportunities for these Projects. To the extent permitted by law, the parties will give appropriate credit to such veterans for bona fide, provable past experience, in the building and construction industry.

The parties recognize the importance of facilitating the goals and objectives of the Apprenticeship & Training Initiative agreed to by the parties in separate collective bargaining agreements applicable to employees of the Owner. Additionally, parties agree to incorporate the duties and responsibilities associated with the Supplemental Addendum to the Multi-Project Labor Agreement between the signatory labor organizations and the Chicago Public Schools attached hereto in Appendix "C" and incorporated herein. Towards these ends, the undersigned labor organizations will assist and cooperate with the Owner, the Chicago Public Schools, City Colleges and contractors in monitoring and enforcing the foregoing commitments, including providing relevant information requested by the Owner for the purpose of such monitoring and enforcement, including

the information provided for in Paragraph 3(E) of the Supplemental Addendum with CPS. Upon execution of this Agreement, representatives of the Owner and the Chicago Building Trades Council will immediately meet for the purpose of establishing the specific mechanism by which this information will be gathered, processed and reported.

The parties hereto agree and acknowledge that the commitments set forth herein, including those in the attached Appendix "C" are interdependent. In the event the goals and commitments set forth in Appendix "C" are not realized, the City shall bring this to the attention of the Chicago Building Trades Council ("Council"), and the parties shall immediately meet for the purpose of identifying the cause(s) of said failure and implement necessary measures to remedy the failure. Should the Council's affiliate members refuse to implement measures reasonably necessary to realize these goals and commitments, the City may terminate this Agreement subsequent to January 13, 2013. If, as of June 1, 2012, the City believes that the Council's affiliate members have failed to implement measures reasonably necessary to realize these goals and commitments, the City may at that time deliver to the Council formal written notice of intent to terminate this Agreement on January 1, 2013. Upon deliverance of such notice, the parties shall immediately meet to craft and implement additional measures to remedy such failure. If the parties are unsuccessful in implementing satisfactory measures, the City may implement said notice of termination on January 1, 2013.

The parties acknowledge the Residency requirement for employees of contractors and subcontractors in the standard City of Chicago construction contract. The parties also agree to cooperatively work and monitor compliance with these requirements and to work cooperatively to facilitate and work in good faith to the achievement of said required Residency provision including union attendance at pre-bid conferences with prospective contractors and subcontractors as well as other reasonable undertakings to demonstrate progress in this regard.

17. The parties agree that contractors and subcontractors working under the provisions of this Agreement shall be required to strive to utilize the maximum number of apprentices on said Project as permitted under the applicable collective bargaining agreement as contained in Appendix "A".

18. This document, with each of the Attachments, constitutes the entire agreement of the parties and may not be modified or changed except by the subsequent written agreement of the parties.

19. All parties represent that they have the full legal authority to enter into this Agreement.

The undersigned, as the Owner and Labor Organizations on the Project, agree to all of the terms and conditions contained in this Agreement.

Dated this the 9th day of February, 2011 in Chicago, Cook County, Illinois.

On behalf of Owner:

_____

Corporation Counsel

Duly Authorized Officer of the City of Chicago

On behalf of _____

(Insert Name of Labor Organization)

_____

Its Duly Authorized Officer

Office of the City Clerk

The following pages were submitted to the Office of the City Clerk as part of this legislative document. The pages are not viewable on the public website or other public reports because they contain personal information not suitable for publication. The pages are considered a redacted portion of the entire legislative document.

ATTACHMENT

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT and AFFIDAVIT
Related to Contract/Amendment/Solicitation
EDS # 63581

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting the EDS:

Far South CDC

Enter d/b/a if applicable:

The Disclosing Party submitting this EDS is:

the Applicant

B. Business address of the Disclosing Party:

9923 S Halsted St, Suite D
Chicago, IL 60628
United States

C. Telephone:

773-930-6653

Fax:

773-941-5252

Email:

abraham.lacyfscdc34@gmail.com

D. Name of contact person:

Mr. Abraham David Lacy

E. Federal Employer Identification No. (if you have one):

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains:

TO ALLOW THE FAR SOUTH CDC TO ENTER INTO A SERVICE PROVIDER AGREEMENT WITH THE CITY OF CHICAGO IN ORDER TO PROVIDE SPECIAL SERVICES WITHIN SSA #49.

Which City agency or department is requesting this EDS?

DEPT OF PLANNING AND DEVELOPMENT

Specification Number

Contract (PO) Number

Revision Number

Release Number

User Department Project Number

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

Not-for-profit corporation

Is the Disclosing Party also a 501(c)(3) organization?

Yes

Is the Disclosing Party incorporated or organized in the State of Illinois?

Yes

B. DISCLOSING PARTY IS A LEGAL ENTITY:

1.a.1 Does the Disclosing Party have any directors?

Yes

1.a.3 List below the full names and titles of all executive officers and all directors, if any, of the entity. Do not include any directors who have no power to select the entity's officers.

Officer/Director:	Mr. Abraham David Lacy
Title:	Executive Director
Role:	Both
Officer/Director:	Mr. Leon Walker
Title:	Chairman
Role:	Both
Officer/Director:	Mr. Leroy Chalmers
Title:	President
Role:	Both
Officer/Director:	Mr. Dennis O'Malley
Title:	Treasurer
Role:	Both
Officer/Director:	Mr. John Chenier
Title:	Secretary
Role:	Both
Officer/Director:	Mr. David Harvey
Title:	Director
Role:	Director
Officer/Director:	Ms. Jackie Johnson
Title:	Director
Role:	Director
Officer/Director:	Rev. Leonardo Gilbert
Title:	Director
Role:	Director

1.a.5 Are there any members of the non-for-profit Disclosing Party which are legal entities?

Fees ($$ or %):	$172,626
Estimated/Paid:	Estimated

Name:	Cleanstreet
Anticipated/ Retained:	Retained
Business Address:	3501 W Fillmore Street Chicago, IL 60624 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	$14,000
Estimated/Paid:	Estimated

Name:	Bronzeville Green Landscaping
Anticipated/ Retained:	Anticipated
Business Address:	3757 S Wabash Street Chicago, IL 60653 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	$75,000
Estimated/Paid:	Estimated

Name:	Ragland & Associates, CPA
Anticipated/ Retained:	Retained
Business Address:	15525 S Park Ave South Holland, IL 60473 United States
Relationship:	Accountant
Fees ($$ or %):	$4,200
Estimated/Paid:	Estimated

Name:	Hall & Associates, CPA
Anticipated/ Retained:	Retained
Business Address:	21145 Ridgeland Manor Dr. Matteson, IL 60443 United States
Relationship:	Accountant

Fees ($$ or %):	$300
Estimated/Paid:	Estimated
Name:	Chatham Business Association
Anticipated/ Retained:	Anticipated
Business Address:	800 East 78th Street Chicago, IL 60619 United States
Relationship:	Other
Fees ($$ or %):	$3,000
Estimated/Paid:	Estimated
Name:	Folgers Flag & Decorating, Inc
Anticipated/ Retained:	Anticipated
Business Address:	2748 York Street Blue Island, IL 60406 United States
Relationship:	Subcontractor - non MWDBE
Fees ($$ or %):	$4,500
Estimated/Paid:	Estimated
Name:	Entire Marketing Group
Anticipated/ Retained:	Anticipated
Business Address:	6900 Cermak Rd Berwyn, IL 60402 United States
Relationship:	Subcontractor - MWDBE
Fees ($$ or %):	$3,500
Estimated/Paid:	Estimated

3. Has the Disclosing Party retained any persons in connection with the Matter?

No

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage of any child support obligations by any Illinois court of competent jurisdiction?

Not applicable because no person directly or indirectly owns 10% or more of the Disclosing Party

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows:

i. neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and
ii. the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City.

NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

I certify the above to be true

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud, embezzlement; theft, forgery, bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

I certify the above to be true

3. Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
d violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

I certify the above to be true

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of

- bid-rigging in violation of 720 ILCS 5/33E-3;
- bid-rotating in violation of 720 ILCS 5/33E-4; or
- any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

I certify the above to be true

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

I certify the above to be true

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), Chapter 2-56 (Inspector General) and Chapter 2-156 (Governmental Ethics) of the Municipal Code.

I certify the above to be true

7. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago.

None

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

The Disclosing Party certifies that, as defined in Section 2-32-455(b) of the Municipal Code, the Disclosing Party

is not a "financial institution"

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

No

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

If the Disclosing Party cannot make this verification, the Disclosing Party must disclose all required information in the space provided below or in an attachment in the "Additional Info" tab. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

I can make the above verification

SECTION VI -- CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

Is the Matter federally funded? For the purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

No

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. A training program is available on line at www.cityofchicago.org/city/en/depts/ethics.html, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

I acknowledge and consent to the above

The Disclosing Party understands and agrees that:

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

I acknowledge and consent to the above

The Disclosing Party represents and warrants that

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

I certify the above to be true

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

I certify the above to be true

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

I certify the above to be true

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This question is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all corporate officers of the Disclosing Party, if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

No

ADDITIONAL INFO

Please add any additional explanatory information here. If explanation is longer than 1000 characters, you may add an attachment below. Please note that your EDS, including all attachments, becomes available for public viewing upon contract award. Your attachments will be viewable "as is" without manual redaction by the City. You are responsible for redacting any non-public information from your documents before uploading.

None

List of vendor attachments uploaded by City staff

None.

List of attachments uploaded by vendor

None.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

/s/ 12/19/2014
Mr. Abraham David Lacy
Executive Director

Far South CDC

This is a printed copy of the Economic Disclosure Statement, the original of which is filed electronically with the City of Chicago. Any alterations must be made electronically, alterations on this printed copy are void and of no effect.

CERTIFICATE OF FILING FOR

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 63581
Certificate Printed on: 12/19/2014

Date of This Filing:12/19/2014 02:50 PM
Original Filing Date:12/19/2014 02:50 PM

Disclosing Party: Far South CDC
Filed by: Mr. Abraham David Lacy

Title:Executive Director

Matter: TO ALLOW THE FAR SOUTH CDC TO ENTER INTO A SERVICE PROVIDER AGREEMENT WITH THE CITY OF CHICAGO IN ORDER TO PROVIDE SPECIAL SERVICES WITHIN SSA #49.
Applicant: Far South CDC
Specification #:
Contract #:

The Economic Disclosure Statement referenced above has been electronically filed with the City. Please provide a copy of this Certificate of Filing to your city contact with other required documents pertaining to the Matter. For additional guidance as to when to provide this Certificate and other required documents, please follow instructions provided to you about the Matter or consult with your City contact.

A copy of the EDS may be viewed and printed by visiting https://webapps1.cityofchicago.org/EDSWeb and entering the EDS number into the EDS Search. Prior to contract award, the filing is accessible online only to the disclosing party and the City, but is still subject to the Illinois Freedom of Information Act. The filing is visible online to the public after contract award.